

CENTRAL STORE 2

Author GIRAULT

Class Mark S/HF 2099. G4

Book No. 234988



UNIVERSITY  
OF NOTTINGHAM  
LIBRARY

*Leicester*



UNIVERSITY OF NOTTINGHAM

WITHDRAWN

**FROM THE LIBRARY**  
~~Students and External Readers~~ Staff & Research  
Students

DATE DUE FOR RETURN

DATE OF ISSUE



UNIVERSITY LIBRARY

30 JUN 2003 A

ANN HAL 63

Any book which you borrow remains your responsibility  
until the loan slip is cancelled

Carnegie Shelf No.....











UNIVERSITY COLLEGE,  
NOTTINGHAM.

THE COLONIAL TARIFF POLICY OF  
FRANCE

BY  
ARTHUR GIRAULT

PRINTED IN ENGLAND  
AT THE OXFORD UNIVERSITY PRESS



Carnegie Endowment for International Peace

DIVISION OF ECONOMICS AND HISTORY

John Bates Clark, Director

# THE COLONIAL TARIFF POLICY OF FRANCE

By ARTHUR GIRAULT

PROFESSOR OF POLITICAL ECONOMY IN THE LAW FACULTY OF THE  
UNIVERSITY OF POITIERS

EDITED BY

CHARLES GIDE

PROFESSOR OF ECONOMICS IN THE UNIVERSITY OF PARIS

UNIVERSITY COLLEGE,  
NOTTINGHAM.

OXFORD: AT THE CLARENDON PRESS

London, Edinburgh, New York, Toronto, Melbourne and Bombay

HUMPHREY MILFORD

1916

LC16-003316

C

234938



UNIVERSITY COLLEGE,

NOTTINGHAM.

## INTRODUCTORY NOTE BY THE DIRECTOR

THE Division of Economics and History of the Carnegie Endowment for International Peace is organized to 'promote a thorough and scientific investigation of the causes and results of war'. In accordance with this purpose a conference of eminent statesmen, publicists, and economists was held in Berne, Switzerland, in August 1911, at which a plan of investigation was formed and an extensive list of topics was prepared. The programme of that Conference is presented in detail in an Appendix. It will be seen that an elaborate series of investigations has been undertaken, and the resulting reports may in due time be expected in printed form.

Of works so prepared, some will aim to reveal direct and indirect consequences of warfare, and thus to furnish a basis for a judgement as to the reasonableness of the resort to it. If the evils are in reality larger and the benefits smaller than in the common view they appear to be, such studies should furnish convincing evidence of this fact and afford a basis for an enlightened policy whenever there is danger of international conflicts.

Studies of the causes of warfare will reveal, in particular, those economic influences which in time of peace bring about clashing interests and mutual suspicion and hostility. They will, it is believed, show what policies, as adopted by different nations, will reduce the conflicts of interest, inure to the common benefit, and afford a basis for international confidence and good will. They will further serve to reveal the natural economic influences which of themselves bring about more and more harmonious relations and tend to substitute general benefits for the mutual injuries that follow unintelligent self-seeking. Economic internationalism needs to be fortified by the mutual trust that just dealing creates; but

just conduct itself may be favoured by economic conditions. These, in turn, may be created partly by a natural evolution and partly by the conscious action of governments; and both evolution and public action are among the important subjects of investigation.

An appeal to reason is in order when excited feelings render armed conflicts imminent; but it is quite as surely called for when no excitement exists and when it may be forestalled and prevented from developing by sound national policies. To furnish a scientific basis for reasonable international policies is the purpose of some of the studies already in progress and of more that will hereafter be undertaken.

The publications of the Division of Economics and History are under the direction of a Committee of Research, the membership of which includes the statesmen, publicists, and economists who participated in the Conference at Berne in 1911, and two who have since been added. The list of members at present is as follows:

EUGÈNE BOREL, Professor of Public and International Law in the University of Geneva.

LUJO BRENTANO, Professor of Economics in the University of Munich; Member of the Royal Bavarian Academy of Sciences.

CHARLES GIDE, Professor of Comparative Social Economics in the University of Paris.

H. B. GREVEN, Professor of Political Economy and Statistics in the University of Leiden.

FRANCIS W. HIRST, Editor of *The Economist*, London.

DAVID KINLEY, Vice-President of the University of Illinois.

HENRI LA FONTAINE, Senator of Belgium.

HIS EXCELLENCY LUIGI LUZZATTI, Professor of Constitutional Law in the University of Rome; Secretary of the Treasury, 1891-3; Prime Minister of Italy, 1908-11.

GOTARO OGAWA, Professor of Finance at the University of Kioto, Japan.

SIR GEORGE PAISH, Joint Editor of *The Statist*, London.



MAFFEO PANTALEONI, Professor of Political Economy in the University of Rome.

EUGEN PHILIPPOVICH VON PHILIPPSBERG, Professor of Political Economy in the University of Vienna; Member of the Austrian Herrenhaus Hofrat.

PAUL S. REINSCH, United States Minister to China.

HIS EXCELLENCY BARON Y. SAKATANI, recently Minister of Finance; Present Mayor of Tokio.

THEODOR SCHIEMANN, Professor of the History of Eastern Europe in the University of Berlin.

HARALD WESTERGAARD, Professor of Political Science and Statistics in the University of Copenhagen.

FRIEDRICH, FREIHERR VON WIESER, Professor of Political Economy at the University of Vienna.

The function of members of this Committee is to select collaborators competent to conduct investigations and present reports in the form of books or monographs; to consult with these writers as to plans of study; to read the completed manuscripts, and to inform the officers of the Endowment whether they merit publication in its series. This editorial function does not commit the members of the Committee to any opinions expressed by the writers. Like other editors, they are asked to vouch for the usefulness of the works, their scientific and literary merit, and the advisability of issuing them. In like manner, the publication of the monographs does not commit the Endowment as a body or any of its officers to the opinions which may be expressed in them. The standing and attainments of the writers selected afford a guarantee of thoroughness of research and accuracy in the statement of facts, and the character of many of the works will be such that facts, statistical, historical, and descriptive, will constitute nearly the whole of their content. In so far as the opinions of the writers are revealed, they are neither approved nor condemned by the fact that the Endowment causes them to be published. For example, the publication of a work describing the attitude of various socialistic bodies

on the subject of peace and war implies nothing as to the views of the officers of the Endowment on the subject of socialism ; neither will the issuing of a work, describing the attitude of business classes toward peace and war, imply any agreement or disagreement on the part of the officers of the Endowment with the views of men of these classes as to a protective policy, the control of monopoly, or the regulation of banking and currency. It is necessary to know how such men generally think and feel on the great issue of war, and it is one of the purposes of the Endowment to promote studies which will accurately reveal their attitude. Neither it nor its Committee of Research vouches for more than that the works issued by them contain such facts ; that their statements concerning them may generally be trusted, and that the works are, in a scientific way, of a quality that entitles them to a reading.

JOHN BATES CLARK,  
*Director.*

# TABLE OF CONTENTS

## FIRST PART

	PAGE
INTRODUCTION . . . . .	3
CHAPTER I. THE ANCIENT RÉGIME : EXCLUSION . .	11
„ II. THE REVOLUTION : TARIFF ASSIMILATION . .	42
„ III. THE FIRST HALF OF THE NINETEENTH CENTURY : THE RETURN TO EXCLUSION . .	50
„ IV. THE SECOND EMPIRE : COMMERCIAL FREEDOM AND TARIFF AUTONOMY . . . . .	66
„ V. THE THIRD REPUBLIC : TARIFF ASSIMILATION	81
„ VI. NEW TENDENCIES : TARIFF PERSONALITY . .	134

## SECOND PART

	PAGE
INTRODUCTION . . . . .	161
CHAPTER I. THE SMALL COLONIES . . . . .	174
„ II. INDO-CHINA . . . . .	201
„ III. MADAGASCAR AND DEPENDENCIES . . . . .	217
„ IV. FRENCH POSSESSIONS IN WEST AFRICA . . . . .	225
„ V. FRENCH POSSESSIONS IN EQUATORIAL AFRICA . .	236
„ VI. ALGERIA . . . . .	247
„ VII. THE PROTECTORATES OF TUNIS AND MOROCCO	268
„ VIII. CONCLUSION . . . . .	280
INDEX . . . . .	303
APPENDIX	





**FIRST PART**  
**THE EVOLUTION OF THE COLONIAL**  
**TARIFF POLICY OF FRANCE**

## TABLE OF CONTENTS

	PAGE
INTRODUCTION . . . . .	3
CHAPTER I. THE ANCIENT RÉGIME : EXCLUSION . .	11
„ II. THE REVOLUTION : TARIFF ASSIMILATION .	42
„ III. THE FIRST HALF OF THE NINETEENTH CEN- TURY : THE RETURN TO EXCLUSION . .	50
„ IV. THE SECOND EMPIRE : COMMERCIAL FREEDOM AND TARIFF AUTONOMY . . . .	66
„ V. THE THIRD REPUBLIC : TARIFF ASSIMILATION	81
„ VI. NEW TENDENCIES : TARIFF PERSONALITY .	134

## INTRODUCTION

*General Considerations.* What customs régime should control the relations between a colony and the colonizing state, on the one hand, and foreign countries on the other? Two different tendencies, sharply opposed to each other, may influence the policy of governments in this matter.

First, a system of jealous exclusion may be adopted. The imperial state, having taken the trouble to found a colony, may wish to keep for itself alone all the profits of the enterprise. By methods more or less direct and brutal, or more or less disguised, it endeavours to keep the foreigner from the colonial market and to reserve for itself the advantages to be derived from the sales and purchases made by the colonist outside of his own boundaries. *Suum cuique*: for each nation, its own colonies. Let the neighbour exploit his own colonial domain as he pleases and let him leave us to exploit ours in peace. So reasons an imperial state which considers its colonies as something belonging to it. It is in the same state of mind as that of a landowner always on the look-out for possible encroachments from neighbours. This is mine: I am not willing to allow you to make use of it.

Colonial policy animated by this spirit easily becomes a source of dissensions and of wars between nations. The neighbour, naturally, looks with a jealous eye upon this domain which he is forbidden to enter. Not knowing in what its riches really consist, he is ready to exaggerate them. Proceeding by comparison, he regards himself as poor. He laments that he has no colonies, or that his are not worth so much as those of other countries. Thus, the property of another becomes a booty which he ardently covets. On the first occasion he will seek to take possession of it. If need be, he will create the occasion, if he believes himself to be the



#### 4 EVOLUTION OF COLONIAL TARIFF POLICY

stronger. In this way, civilized countries have been led to make war upon one another on account of distant possessions.

But there is another consideration. These colonies which the imperial state regards as its private possessions are peopled by men who may suffer cruelly in regard to their interests by this policy of exclusion, and whose local patriotism is seriously offended by these autocratic methods. The feeling of independence, so keen in new communities, incites them to take up arms against the distant tyrant. So, the peace of the world finds itself doubly compromised by a policy which arouses, at the same time, the jealousy of other nations and the discontent of the colonists. Let a favourable occasion arise, and the colony revolts, calling for foreign help in shaking off the yoke: its territory is laid waste by both civil and foreign war.

Happily, the policy of commercial exclusion, which is capable of giving rise to such consequences, is not the only one possible. A nation may admit foreigners to commercial relations with its colonies upon a footing of equality. A liberal imperial state may open wide all the doors of its colonies, or, when these have arrived at a sufficient degree of development, it may leave them free to fix their own customs-duties. The foreigner no longer experiences the desire to seize the colony in order to be able to derive a profit from it. Not being subjected to an unfavourable régime, he has no reason to complain. Thereafter, the spirit of conquest by which certain classes may still be actuated no longer finds either echo or support in the world of business. Colonies cease to be an apple of discord among nations. The colony is no longer a domain over which nations wrangle, but a marketplace where they meet on equal terms. Let this policy of mutual goodwill prevail among civilized nations and quite naturally they will arrive at the point of no longer considering one another as rivals, but as fellow labourers. Without doubt, every one will prefer, all things being otherwise equal, to carry on his business in the colonies of his own country.

It is in this direction that he will by preference direct his activities and his capital. Commerce follows the flag. But nothing will prevent him from entertaining business relations with foreigners if he believes that it will be more advantageous for him to do so. And, indeed, there is room for all in all colonies. The development of new countries is an undertaking vast enough to provide a field of action for all good intentions.

This liberal policy, which removes from other nations all pretext for jealousy, is likewise the best for maintaining friendly relations between the colonies and the mother country. It removes the causes of grievances on the part of the colonists, and accordingly assures peace between the colony and the mother country as well as between the several colonizing nations.

*Stages in the Evolution of French Colonial Policy.* France has been a colonial power for three centuries. During these three centuries she has not always had the same attitude in regard to colonial tariff policy. Sometimes she has been dominated by the spirit of jealous exclusion; sometimes she has inclined towards a liberal disposition of the question. Moreover, France has not always followed the same policy in all her colonies: in one colony she sometimes sought to exclude foreign commerce, while in another she showed herself disposed to welcome it. To-day, France still follows, in West Africa, a tariff policy entirely different from that which she applies in Madagascar. It is, then, necessary to make distinctions according to time and place. From this it follows that we cannot reduce the colonial tariff policy of France to a single, all-embracing formula.

The student of the evolution of French colonial tariff policy is able to distinguish six more or less clearly defined stages. In the present work a separate chapter will be devoted to each of these stages.

The first stage covers the period anterior to 1789. It is the stage of privileged companies of colonization and of exclusion.

The ancient régime did not, however, always and everywhere apply this narrow policy with the same rigour. In the second half of the eighteenth century it was vehemently opposed by the Economists. Taken all together, it may be said that exclusion lasted as long as the ancient régime itself.

The second stage corresponds to the period of the Revolution. The colonial tariff régime succumbed to the influence of the new political ideas which were then triumphant. In this period colonial policy was inspired by ideas entirely different from those which had prevailed up to that time. But circumstances did not permit the full development of the new system.

Upon the overthrow of the Directory by Napoleon, in 1799, a brusque reaction manifested itself in colonial policy. The exclusive policy of the ancient régime was restored, but not the privileged companies. This policy remained in force during the first half of the nineteenth century, which constitutes the third stage.

With the Second Empire liberal economic tendencies prevailed, and these tendencies characterize the fourth stage in colonial commercial policy. In 1861 the exclusive policy of reciprocity between the mother country and the colonies was abolished, and in 1866 a régime of tariff autonomy was adopted. This stage did not come to an end for more than a decade after the fall of the imperial government.

The protectionist reaction brought about by the fall in prices which, in France, followed the crisis of 1882, produced a complete change of opinion. Public opinion had been favourable to liberal economic ideas under the Second Empire and during the years of prosperity and confidence which marked the beginning of the Third Republic. Under the pressure of the economic depression that marked the end of the nineteenth century, however, liberal economic ideas fell into general disfavour. In 1883, the movement in favour of a customs union with the colonies began to show itself. This movement culminated in the law of January 11, 1892.

This may be called the stage of tariff assimilation. The colonial consumer was openly sacrificed to the producer of the imperial state.

At present (1913) we appear to be entering upon a sixth stage. Conscious of its strength, the colonial party raises its voice in its congresses against an iniquitous régime. Certain concessions have already been granted, and others appear to be near at hand. An ingenious formula, tariff personality, sums up the colonial aspirations, and to-day the triumph of this new policy may be expected.

Such in brief is the evolution of the commercial policy of France in regard to her colonies. From this outline it will appear that it is impossible to judge fairly, or even to understand, the systems which have successively prevailed, unless account is taken of attendant economic and political circumstances. The evolution has been effected under different influences which it is necessary to analyse.

### *Influences determining the Evolution of the Colonial Tariff Policy*

1. Since the downfall of the ancient régime, many forms of government have followed one another in France. Each one came into power with new ideas which made themselves felt in the colonial policy of our country. The point of view has varied according to whether royalist, republican, or Bonapartist ideas prevailed. If ever the socialists should come into power, they would, doubtless, inaugurate a colonial policy altogether different from that which had been pursued before their time.

Account must be taken of more than mere political theories. The personal influence of men has been, at times, a factor as decisive as the influence of ideas. The direction in which a statesman employs his influence to modify the commercial policy of the country may depend in large measure upon the environment in which he has formed his character. One



who has been brought up in the industrial north-east of France will have a bias quite different from that of one who has spent his youth in a great seaport, and still more from that of one whose experience has been gained chiefly in the colonies.

Considerations of external policy have sometimes exercised a significant influence upon our colonial policy. Rivalry with England formerly inspired a number of measures which seriously affected the external commerce of our colonies, and which would never have been enacted but for that rivalry. Colonial intercourse is closely connected with the safety and freedom of the seas, and its character will be modified according to conditions of sea-power. Again, the desire to embarrass a rival nation by taking measures of retaliation against it, and concessions granted to a friendly nation, as a proof of goodwill, have affected, in different ways, the evolution of the colonial tariff system. Finally, international treaties have at times imposed upon our country binding engagements affecting our colonial policy. Thus in several parts of Africa, the French government has been obliged to adopt a policy different from that which it would undoubtedly have chosen if it had been entirely free in its decisions.

2. The economic situation in general constitutes, equally, a determining factor in colonial tariff policy. The economic theories prevailing during different epochs have, naturally, reacted upon this matter. The system of exclusion was, under the ancient régime, the corollary of the mercantile system; exclusion began to be opposed from the time when mercantilism encountered opposition. In the nineteenth century, the protectionists and those favouring free trade contended over the tariff system of the colonies, as well as over the subject of the tariff system of the mother country. A protectionist or a free trade victory in home politics has always been reflected in colonial policy.

Economic facts have had no less influence than doctrines. The greater or less intensity of foreign competition, the rise

or fall of general prices, the situation, more or less uncertain, of the merchant marine, the periods of prosperity or of crisis, of confidence or of hesitation, have exerted influence upon the direction given to the commercial policy of France in respect to the colonies. At certain times, new events, such as the abolition of slavery or the competition of beet-sugar, have altogether modified earlier views of the problem. In short, the influence of colonial economic questions cannot be isolated from the general current of ideas and economic facts.

3. The general conception of the connexion existing between mother country and colony, which has been considerably modified in the course of centuries, leads naturally, in commercial matters, to consequences which present remarkable variations. In my *Principles of Colonization and of Colonial Legislation* (*Principes de colonisation et de législation coloniale*), I have shown that leading ideas, in regard to the relation of mother country to colony, can be subsumed under three heads: subjection, autonomy, and assimilation. The policy of subjection, an egoistical policy which considers only the interest of the mother country, leads naturally to exclusion and to colonial monopoly. The policy of autonomy, which allows the colony to act more and more as an independent state, has as a corollary an autonomous tariff. The policy of assimilation, which treats colonial territory as a part of the national territory, entails, logically, tariff assimilation. In a country like our own, where logic has so great a part in forming opinions, it was inevitable that the colonial tariff policy should be affected by the popular favour accorded to any particular political system. So it is that tariff assimilation has twice triumphed in France because it was the logical consequence of a principle.

4. Finally, the composition of the colonial domain of France, has greatly changed since its beginning, and this fact has considerably modified the point of view taken by French opinion at different epochs. The word 'colony' does not suggest the same group of ideas in one period as in another.

## 10 EVOLUTION OF COLONIAL TARIFF POLICY

In the eighteenth century, 'the colonies' meant specifically the Antilles and San Domingo. The practical interests involved centred in the sugar and coffee which were furnished by these colonies, and which constituted the essential elements of their commerce. To-day, when we say 'colonies', we think of Africa, Indo-China, or Madagascar. The phrase colonial commerce awakens in our minds the thought of the cotton goods and metallurgical products which the colonies may buy from us, or, again, that of ground-nuts, india-rubber, or rice, which they can sell us. Both in exports and imports the character of colonial trade differs widely from that of earlier epochs.

The relative importance of colonial commerce has likewise varied widely. In the eighteenth century the commerce with the colonies represented two-thirds of the external commerce of France. Towards 1880, it amounted to ten per cent of the whole. Under Napoleon III, in 1866, the year in which tariff autonomy was proclaimed, the part of Algeria and of the colonies in the total of the external commerce of France was no more than six per cent. In 1912, Algeria, Tunis, Morocco, and the colonies count for more than ten per cent in the total of the external commerce of our country (2,051,000,000 francs in a total of 19,118,000,000 francs). For certain products, such as cotton fabrics, northern Africa and the colonies constitute a capital market. In our eyes, colonial commerce has, then, much more importance than it had in the eyes of our fathers under the Second Empire; but it has infinitely less than in the eyes of our ancestors, under the ancient régime. The interest which public opinion has brought to its support and to its development has thus diminished or increased according to epochs.

## CHAPTER I

### THE ANCIENT RÉGIME: EXCLUSION

*The Commercial Monopoly of Chartered Companies.*<sup>1</sup>—Under the ancient régime the external commerce of the French colonies was never free. Certain classes of persons were forbidden to engage in it. Prohibition was, in a way, the rule which formed the point of departure. To trade with the colonies it was necessary to have permission. Hence the propriety of the name of ‘exclusion’ given to this system. The system made its appearance with the founding of our earliest colonies; it was organized and developed under the reign of Louis XIV, and it continued, in spite of important modifications, until the Revolution. The founding of French colonies in the seventeenth century was the work of companies of colonization. These companies were the instruments which our ancient royalty used to create establishments beyond the seas. Each company held by its charter a monopoly which was applied to one or more regions, and which was conceded to it for a certain number of years. The inhabitants of the colonies could sell their products only to the Company, and were permitted to buy only the European merchandise brought by the vessels of the Company. Colonial commerce was thus interdicted not only to foreigners, but also to Frenchmen who were not members of the Company.

Commercial monopoly was first granted to the companies established under the reign of Henri IV.<sup>2</sup> It was granted in the charters of the companies created by Richelieu under Louis XIII, and by Colbert under Louis XIV. Various companies, formed later, obtained the same privilege. Every privileged company of colonization was granted a commercial monopoly more or less extended.



## 12 EVOLUTION OF COLONIAL TARIFF POLICY

For illustration, we transcribe the provisions relating to commercial monopoly in the principal charters granted by Richelieu and by Colbert.

*Charter of the Company of One Hundred Partners for the Commerce of Canada* (May 1628),<sup>3</sup> Article 6 :

Furthermore, we have given and granted, and do give and grant, to the said partners forever, the traffic in all leather, skins, and furs of the said New France ; and for fifteen years only, beginning with the first day of January of the present year, 1628, and ending on the last day of December, 1643, all other commerce whether on land or sea, which can be conducted in any manner or way whatsoever, throughout the extent of the said country and as far as it may extend, with the reservation of the fishing for cod and whales which we desire to be free to all our subjects, revoking all other concessions contrary to the above effect, even the articles formerly granted to William de Caen and his partners, and to this end we interdict all of the said commerce as much to the above-mentioned de Caen as to our other subjects, under penalty of confiscation of vessels and merchandise, which confiscation shall fall to the advantage of the said company ; and our said cousin, the grand master, chief and superintendent of the navigation and commerce of France, shall grant leave of absence, passports, or permissions only to the above-mentioned partners for the voyages and commerce above-mentioned, in all or a part of the said places.

*Contract of Reorganization of the Company of the Islands of America*, of February 12, 1635 : <sup>4</sup> Article 10 :

For twenty years, none of the subjects of his Majesty, other than the said partners, may trade to the said islands, or the ports, harbours, and rivers thereof, except with the written consent of the said partners, and in accordance with the leave granted them upon the said consent ; the penalty of confiscation of the vessels and merchandise to be applied to the profit of the said company may be imposed upon those who trade without such consent. The grand master of navigation and commerce, and his successors in the said charge, shall give no leave to go to the said islands, except to the said company, which shall hereafter be established as the Company of the Islands of America.

The same provision is again found in the edict of March 1642, which renews the privilege of this company.<sup>5</sup>

*Edict of May 1664 for the establishment of the Company of the West Indies,*<sup>6</sup> Article 15 :

The Company shall carry on, to the exclusion of all our other subjects who are not of its membership, all the commerce and navigation in the said countries, for the space of forty years; and to this effect, we forbid all our subjects who are not in the said company, to trade there, under penalty of confiscation of their vessels and merchandise, which shall be applied to the profits of the said company; with the reservation of fishing which shall be free to all our subjects.

*Edict of the King establishing a new company for the Commerce of the West Indies* (August 1664), Article 27 :<sup>7</sup>

The said company, alone, may navigate and trade, to the exclusion of all our other subjects, from the Cape of Good Hope as far as the Indies and the eastern seas, even to the Straits of Magellan and Le Maire, in all the southern seas, for the space of fifty consecutive years, beginning on the day on which the first vessels leave the Kingdom, during which time all persons are quite expressly forbidden to carry on the said navigation and commerce under penalty of confiscation of vessels, arms, munitions, and merchandise, to be applied to the profits of the said company.

The monopoly of commerce thus granted by the French government to chartered companies involves no principle unfamiliar to the historian. The proceeding was, at that time, general. The other European powers had, in like manner, recourse to the creation of privileged companies of colonization, and, in this point, France was only imitating her neighbours. Roscher has plainly shown the political and economic considerations which explained and justified, at the outset, the creation of the companies. At that time trade with the Indies involved dangers and risks too great to be borne by private individuals. Only a powerful company could undertake it, and the difficulties would have appeared insurmountable even for such a company if it had been exposed to competition as well as to other risks. Nor must it be forgotten that what later appeared to be monstrous seemed quite natural in the seventeenth century. The

régime of prohibition and of exclusion was at this epoch not a violation of common justice, but simply an extension to the colonies of the régime followed in the mother country. At that time commercial and industrial life was only a tissue of privileges and the object of all manner of restrictive regulations. The monopoly of companies of colonization was not more to be condemned than the other monopoly.

Even one who bases his judgement upon present day political principles, instead of seeking to place himself at the eighteenth-century point of view, can justify the monopoly granted to the earliest companies on grounds analogous to those which justify the grant of patents to inventors. 'It cannot be denied', says J. B. Say,<sup>8</sup> 'that the exclusive privilege of commerce with certain parts of the world granted to a company of merchants is a good way of opening a new route for commerce.' Like the patent, the exclusive charter is a stimulus to discovery, Further, it offers a chance of reward commensurate with the service to society, all that is necessary is that the duration of the monopoly, like that of the patent, be limited to a restricted number of years. The evil of the ancient régime consisted in prolonging a system which had no reason for existing except in the beginning.

In the end, in fact, the monopoly of commerce became injurious to the colonies, to the general trade of the home country, and to the companies themselves.

The monopoly was primarily destructive of the interests of the colonies. The colonists could buy European products only from the company, and they could sell their own commodities to it only. Accordingly the company was in a position to make the colonists pay dearly for merchandise of bad quality, and it was unwilling to buy their commodities except at a derisively low price. As a result, in the Antilles as well as in Canada, a very active system of smuggling was carried on with the English and with the Dutch, into whose hands a large part of the external commerce of these colonies had actually passed. At the end of the seventeenth century

and in the eighteenth century rapid development took place in every colony as soon as it was freed from the monopoly of the company by which it was exploited.

The monopoly later became prejudicial to the trade of the mother country. Adam Smith offered luminous proof of this fact in the *Wealth of Nations* (Book IV, chap. 7). Capital artificially excluded from the colonial field was compelled to turn to other fields of investment that were less profitable. The companies were unable to provide our colonies with a sufficient supply of French merchandise, having neither the funds nor the ships requisite. They had been able to face creditably the problems of a trade just coming into existence, but as soon as the purchases and sales of the colonies constituted a considerable volume it became impossible for a single company to satisfy the totality of trading needs. Accordingly the companies adopted the device of selling licences to trade in the Indies—at once a confession of their helplessness and a burden upon free trade. The best proof of the injurious effects of this policy is that immediately upon the opening of the trade to all Frenchmen it rapidly developed to a considerable extent.

The privileges finally became harmful to the companies themselves. Since they were not subject to the spur of competition, the companies underwent a serious degeneration in their management. The greater part of the administrators were incompetent or corrupt. Stockholders with narrow and sordid views cared more for the immediate distribution of heavy dividends, sometimes purely fictitious, than for the future success of the enterprise, which interested them only to a limited degree. By sacrificing the future to the present, the greater number of these companies rapidly ruined themselves. Those which had the appearance of stability, as the company founded by Law, were worth but little more. After the fall of Law's 'system' the company was kept alive only at a great sacrifice on the part of the royal treasury and through loans at ruinous rates: this long agony lasted half a century.



A clear view of the lamentable results of the commercial monopoly of the chartered companies may be gained from the discussion which preceded the decree of August 1769, which suspended the privilege of the Company of the Indies; from the *Account of the Present Situation of the Company of the Indies*, by M. l'abbé Morellet, to which are appended the *Observations upon the Condition of the Company of the Indies*, presented in 1755 by M. de Gournay; also from the *Reply* (drawn up by Necker) *to the Account of M. l'abbé Morellet regarding the Company of the Indies*, printed by resolution of the stockholders, adopted in the stockholders' meeting of August 8, 1769.

Finally, light is also shed upon this subject by the *Examination of the Reply of M.N. . . . to the Account of M. l'abbé Morellet regarding the Company of the Indies*, by the author of the *Account* (September 1769).<sup>9</sup> It is useless to dwell here upon these ancient facts, which have been so often worked over by the historians. It is merely necessary to recall this monopoly of the companies because it forms the point of departure of legislation relative to the external commerce of the colonies.

*Colonial Commerce in the Antilles open to all  
Frenchmen*

In a general way, the colonization companies proved impotent to execute the programme which had been assigned them. The greater number, without waiting for public action upon their failure, took the initiative by asking the Crown to relieve them of their engagements.<sup>10</sup> The royal power was thus forced to take in hand the administration of the several colonies. This is what Petit, in the opening passage of his *Public Law or Government of the French Colonies*,<sup>11</sup> means by his statement: 'The government of our colonies was at first proprietary, to-day it is royal.' This transformation naturally brought about the disappearance of the monopoly of the chartered companies.

While a colony was thus liberated from the yoke of the

company that had exploited it, the result was not entire freedom of external commerce. The liberty to trade with the colony was granted by the king only to his own subjects, and foreigners continued to be excluded. Thus the number of privileged traders was increased, but still remained limited.

This point must be noted if one wishes to understand the historical evolution of colonial commerce. The exclusion of foreigners was not a restriction imposed upon an earlier state of freedom. It did not constitute a measure of hostile discrimination. It proceeded essentially from the fact that when the monopoly of commercial companies ended, the French government stopped half-way on the road to liberty. The government granted freedom to French commerce without extending it to foreign commerce.

The Antilles were the first colonies to be put under the control of the crown. They were also the colonies which, during the ancient régime, were considered to be in many respects the most important. It was especially for those colonies that the royal government first undertook to enact colonial laws. Afterwards the government frequently confined itself to extending to other colonies rules primarily intended for the islands of America.

The commerce of the Antilles was at first the object of a monopoly granted to the Company of the Islands of America, afterwards to the Company of the West Indies, created by Colbert in 1664. This company, in spite of the important privileges which it had obtained, failed at the end of a few years. It had early begun to sell to individuals the right to trade with America for a tonnage duty of six livres per ton and five per cent on all merchandise leaving the said islands. In 1669 the crown took away the right to grant these licences (June 12) and soon after (Dec. 9) suppressed the tonnage duty. On June 4, 1671, the export tax was reduced from five per cent to three per cent. This is the origin of the taxes called 'duties of the western dominion', often referred to in old texts. These duties, which, for greater convenience, were

collected on arriving in France, always remained an export tax, and were levied upon colonial commodities intended for re-exportation to foreign countries as well as upon those intended for consumption in the kingdom.

On December 31, 1674, the Company of the West Indies disappeared and the Antilles came under the direct authority of the crown, for whose profit the tax of three per cent was from that time collected. After 1674 there was no chartered company enjoying trading privileges in the Antilles.<sup>12</sup> But the crown had not waited for the disappearance of the company before legislating on foreign commerce in the French islands of America. There was, first, the ordinance of June 10, 1620, by which His Majesty

made very express prohibitions and regulations forbidding all foreign vessels and ships to enter the ports, to cast anchor in the bays of the said islands or to navigate in the neighbourhood of these, under penalty of confiscation; also forbidding to all his subjects living in these islands, or trading there, to receive any foreign goods, or foreign vessels, or to have any communication with them, under penalty of confiscation of the said merchandise, 500 livres fine for the first offence and corporal punishment in case of repetition of the offence.

But the distant situation of the islands rendered smuggling an easy matter. And so this prohibition was frequently violated, as is proved by the ordinance of September 13, 1686, and the regulation of August 20, 1698, which introduce new formalities and increase the penalties with the intention of assuring its observance.

It was not merely a problem of keeping foreign ships at a distance; it was further necessary to prevent French ships from taking part in this trade with the foreigner, either by receiving on board merchandise brought by foreign boats, or by carrying to foreign countries the products of the French colonies. Hence a whole series of new restrictive regulations. Captains of French vessels were required to bring into France all merchandise taken on board in the colonies (decree of the Council of July 24, 1708) and, to better ensure the execution of

this regulation, it was decreed that ships should return to the ports from which they had cleared. The edict of the king, April 1717, regulating the commerce of the French colonies, enumerated the ports where the vessels intended for the islands and the French colonies might be fitted out (art. 1);<sup>13</sup> commanded the merchants, under penalty of a thousand livres fine, to return their vessels to the port from which they set sail (art. 2); forbade very expressly the inhabitants of the islands and colonies and merchants of the kingdom to transport to foreign countries any raw materials from the said islands under penalty of confiscation of the vessels and merchandise and a thousand livres fine (art. 26),<sup>14</sup> and forbade shipowners also, under the same penalties, 'to take on board in any foreign country, even in the island of Madeira, any wine, or other commodities and goods, in order to transport them into the said colonies (art. 27).' Two years later, an ordinance of November 26, 1719,<sup>15</sup> forbade all captains or masters of French vessels to carry on in the islands any trade with foreigners, directly or indirectly, under penalty of the galleys for life. An ordinance of July 23, 1720, commanded officers of the king's vessels to run down vessels carrying on foreign trade in the islands.

All these regulations, intended to prohibit foreign trade, were given more definite form and, as it were, codified in the edict of the king concerning foreign commerce in the islands and colonies of America, given at Fontainebleau in the month of October 1727,<sup>16</sup> which imposes decidedly more severe penalties. We transcribe the important provisions of the edict, which represents the final stage in the development of colonial public law under the ancient régime.

#### TITLE I.—ARTICLE I

We forbid all our subjects, in our kingdom and in the colonies under our rule, to import into our said colonies from foreign countries and colonies, any negroes, products, commodities and merchandise with the exception, nevertheless, of the salt meats of Ireland, which shall be carried by French ships which shall have taken their cargo



## 20 EVOLUTION OF COLONIAL TARIFF POLICY

in the ports of the kingdom ; under penalty of confiscation of the vessels which conduct the said trade and their cargo, and a thousand livres fine to be imposed upon the captain, who shall be, moreover, condemned to the galleys for three years.

### ARTICLE II

We forbid, under the same penalties, our said subjects to export from our islands and colonies any negroes, products, commodities, and merchandise, to be sent into foreign countries or colonies : nevertheless, we allow French merchants the right to carry from our islands in America directly to the ports of Spain, all kinds of sugar, with the exception of unrefined sugars ; together with all raw products of the said islands, in conformity with the regulation decreed by our Council of January 17, 1726.

### ARTICLE III

Foreigners shall not enter with their ships or other vessels into the ports, creeks and bays of our islands and colonies, even in our uninhabited islands, nor navigate within a league of these islands and colonies, under penalty of confiscation of their ships and other vessels, together with the cargo, and one thousand livres fine which shall be paid jointly by the captain and the crew.

### ARTICLE XI

Ships or other foreign vessels, whether of war or commerce, which by tempests or other pressing need shall be compelled to put into port in our colonies, must, under penalty of confiscation of the merchant vessels and their cargoes, anchor only in the ports or bays of the places where we have garrisons.

### TITLE V.—ARTICLE V

It is our will that all persons, of whatever class and condition, who shall be convicted of having carried on foreign trade by means of vessels belonging to them or chartered by them, or who shall have abetted the importation of merchandise brought by foreign vessels, or who shall have exported into foreign countries or colonies negroes, products, commodities or merchandise from our colonies, shall be condemned, in addition to the fines imposed by these presents, to three years in the galleys.

### TITLE VI.—ARTICLE I

Foreigners established in our colonies, even those who are naturalized or who could be naturalized in the future, cannot, while in the colonies, be merchants, brokers, or commercial agents, in any sort

or way whatsoever; under penalty of three thousand livres fine, to be paid to the informer, and under penalty of banishment forever from our said colonies; we permit them only to cultivate their lands and plantations, and to trade with the commodities which are produced by their lands.

Such was the final development of the policy of exclusion. Petit, after having analysed this legislation, makes a spirited criticism of it which may be summed up as follows: The penalties decreed were so excessive that the authorities refused in practice to apply them. Again, the proof of violations of the law was often difficult to obtain. Finally, this ordinance provoked measures of retaliation by the English in 1736 in the Windward Islands, measures, nevertheless, less rigorous than those against which they were directed. The author adds with much good sense that if there was carried on in the colonies a foreign trade capable of injuring the national commerce, the French traders had themselves to blame 'either for their inability to supply the needs of the colonies, or for their abandonment of distant places to which they carried no assistance'.<sup>17</sup>

Towards the end of the ancient régime, however, these rigorous measures had in some measure been relaxed. In the first place, it was soon conceded that the products of the colonies might be received in bonded warehouses in French ports, in order to be re-exported afterwards to foreign countries, without having to pay any import or export tax. It is noteworthy that it was in favour of these colonial products that the system of the bonded warehouse was first introduced.<sup>18</sup> It was applied to merchandise coming from the colonies before it was extended to those coming from foreign countries.

The privilege of the bonded warehouse was accorded to colonial products by the edict of September 1664, and by the order in council of September 10, 1668, of May 19, 1670, and of August 12, 1671. Not until February 1687 was an ordinance issued which authorized it for merchandise coming

from any place. This privilege was withdrawn in principle in the year following, in consequence of the complaints of the tax farmers, by an order in council of March 9, 1688, which continued the privilege only for certain articles of merchandise intended for re-exportation to the colonies or to the coast of Guinea.<sup>19</sup>

The bonded-warehouse privilege entailed a whole series of controversies between the merchants and the clerks appointed by the tax farmers. It was in part to put an end to these difficulties that the edict of April 1717, referred to above, was promulgated. This edict established exemption from all import and export duties for commodities and merchandise of the kingdom intended for the colonies<sup>20</sup> (art. 3) and accorded them the warehousing privilege (art. 5). It dispensed also with all duties on objects necessary for the victualling and for the equipment of vessels intended for the colonies, decreed that the salt beef coming from foreign countries and destined for the colonies might be received in the bonded warehouses in the ports of France (art. 11), and finally enacted (art. 15):

Merchandise and all raw materials from the islands and French colonies may, on their arrival, be warehoused in the ports of . . . When they shall leave the warehouse, to be transported to a foreign country, they shall enjoy exemption from all import and export duties, even those appertaining to the revenue collectors of the western domain, with reservation of the three per cent duty to which they shall be subject.\*

The bonded warehouse privilege was extremely important. The French market did not suffice in the eighteenth century for the absorption of the products of the French colonies, and their re-exportation to the other countries of Europe was an important source of profit for our commerce. The warehouse was also occasionally a means of conciliating contradictory interests, as is proved by the peculiar history of the coffee trade.

\* Cf. art. 25.

Originally free, the coffee trade in France was for fiscal reasons granted as a monopoly to a certain François Damame in 1692; but in the year following, this privilege was revoked and replaced by an import tax of ten sols per pound of coffee (Decree of the Council of State, May 12, 1693). The monopoly was re-established in the interest of the Company of the Indies, by a decree of the Council of State, August 31, 1723. The declaration of the king on October 10 following consequently forbade all French merchants and foreigners to bring in, by sea or land, any coffee throughout the extent of the kingdom (art. 7). Article 8 added: 'We permit, nevertheless, the import of coffee brought directly from the Levant, by French vessels, into the port of Marseilles, on condition that it is put into bonded warehouses', and article 9 gave to merchants who had imported it, the choice of re-exporting it to foreign countries or of selling it to the company at a fixed price.

At the time when the monopoly of the coffee trade was thus granted to the Company of the Indies, the countries of the Orient were still the only ones exporting this commodity. But it was not long before the situation became modified. In 1723 Des Clieux introduced the culture of coffee into Martinique, whence it spread to the neighbouring islands. At first, the coffees of America, the production of which was as yet of small importance, were consumed on the spot. But the situation was changed in consequence of the earthquake in Martinique of 1727, which destroyed the plantations of cocoa-trees, the chief productive wealth of the island at that time. The inhabitants of Martinique, in order to repair their loss, devoted themselves to the culture of the coffee plant. Very soon the production of coffee exceeded the demand for local consumption, and protests arose against the prohibition upon importation of coffee into France. In order to satisfy the colonists' demands, a declaration of the king, September 27, 1732, decided (art. 1):

Coffees produced by the plantations of the French Island of Martinique, and which shall be carried in French vessels and no



## 24 EVOLUTION OF COLONIAL TARIFF POLICY

others shall be allowed to enter in the future, the ports of our Kingdom which shall be designated, on condition, nevertheless, of being put into the government warehouses, and of not being taken out except to be transported to foreign countries. . . .

This article added that the provision would likewise be applicable to the coffees of Guadeloupe, Granada, and Marie-Galante. A decree of the Council of State, September 20, 1735, extended this favour afterwards to the coffees of Cayenne and of Santo Domingo. But these measures were insufficient, and very soon afterwards a decree of the Council of State, May 29, 1736, permitted the introduction of the American coffees into the kingdom, there to be consumed,<sup>21</sup> and granted them free transit to foreign lands. This liberal measure was of great practical importance; without it, the development of coffee production in the islands of America would have been completely checked.

In the second half of the eighteenth century important changes were made in the régime of exclusion in consequence of the treaty of Paris of 1761, which took Canada and Louisiana from France. Before this, the Antilles had regularly obtained timber and food-stuffs from those countries. When Canada and Louisiana ceased to be French colonies, it became necessary to permit the Antilles to buy these articles from foreign countries. To assure the food supply for the population of the French islands of America, provisional regulations authorized the importation of live animals, flour, and codfish.<sup>22</sup> Very soon afterwards, a decree of the Council of State, July 17, 1767, made definite rules. The preamble of this decree proclaimed 'that the islands and French colonies constituted the most important branch of the commerce of the kingdom' and 'that they were truly useful only in consequence of the prohibition of foreign trade and navigation'. But, this homage given to the ancient principle, it immediately added 'that, nevertheless, it had become indispensable to procure for these colonies the means of securing certain articles of merchandise of prime necessity which the commerce of

France did not furnish, and to open markets for certain colonial products useless to French commerce'.<sup>23</sup> In consequence, the decree opened to foreign ships the port of Carenage (Santa Lucia) for the Windward Islands, and that of the Mole St. Nicolas for Santo Domingo. Foreign ships 'loaded only with all kinds of wood, even dye-woods, cattle and live animals of all kinds, uncured leather, with the hair or tanned, furs, resin, and tar' were authorized to discharge these goods in the said ports (art. 2) and to load there with syrups and rum, and also with goods brought from Europe (art. 3).

These provisions were afterwards extended by a decree of the Council of State of August 30, 1784,<sup>24</sup> a very important decree, inasmuch as it represents the final evolution of the law of the *ancien régime* on this subject. The first article increased the number of ports open to foreign commerce. For the Windward Islands it added those of Saint-Pierre (Martinique), of the Pointe-à-Pitre (Guadeloupe), and of Scarborough (Tabago). For Santo Domingo, it replaced the port of the Mole St. Nicolas by those of Cape French, Port-au-Prince, and the Cayes. Article 2, which gave the list of articles of merchandise that could be imported by foreign ships, added—to those already cited—charcoal, salt beef (but not pork), codfish and salt fish, rice, maize, and beans. These concessions, which to be sure were not made without raising in the home country the protests of those attached to ancient ways,<sup>25</sup> constituted the régime of 'mitigated exclusion'.

Thanks to this relative freedom, and above all to the considerable material progress of the colony of Santo Domingo in the course of the eighteenth century, the commerce of France with the islands of America progressed in a remarkable manner under the reigns of Louis XV and of Louis XVI. In his work on the *Balance of Trade*, written in 1791, Arnould gives the statistics of the commerce of France with her American colonies at the end of the reign of Louis XIV and on the eve of the Revolution.<sup>26</sup> These figures include, it is

true, all the French colonies of America. But in this total, Guiana, Louisiana, and Canada counted for little. The last two colonies, moreover, ceased to belong to France with the end of the Seven Years' War. The exports of France destined for the American colonies amounted, at the end of the reign of Louis XIV, to nine millions of livres, distributed as follows : 4,160,000 livres of manufactured goods, 1,900,000 livres of foodstuffs, 1,564,000 livres of wine and brandy, 1,548,000 livres of timber, metals, and divers articles. Just before the Revolution, these same exports reached the figure of 77,900,000 livres, consisting of 42,447,000 livres of manufactured goods, 19,611,000 livres of foodstuffs, 7,285,000 livres of wine and brandy, 6,513,000 livres of wood and metals, 2,057,000 livres of divers articles. The imports from the colonies into France were, at the end of the reign of Louis XIV, 16,700,000 livres ; viz. 11,000,000 livres of sugar and cocoa, 4,081,000 livres of indigo and rocou, 775,000 livres of cotton, leather, and furs, 200,000 livres of tobacco. Just before the Revolution the imports amounted to 185,000,000 livres, of which 134,000,000 were in sugar and coffee alone, 26,000,000 in cotton, 11,600,000 in indigo, rocou, and other dye-stuffs, 10,000,000 in cocoa, ginger, &c. Thus, taken altogether, the commerce of France with her American colonies had easily increased tenfold in the epoch 1716 to 1788, passing from 25,000,000 to 263,000,000.

This trade was at first carried on principally with Martinique, which long remained the principal centre of French influence in the Antilles, where the inhabitants of the neighbouring islands came to bring their produce and to seek European merchandise ; later it was carried on chiefly with Santo Domingo. Santo Domingo had become, at the end of the eighteenth century, the largest producer of sugar in the entire world. This colony exported to France, towards 1788, in the neighbourhood of 140,000,000 of livres produce and imported 52,000,000 of livres of merchandise. Its commerce counted for one-fourth in the total foreign trade of France,

and the value imputed to it was enhanced by the fact that it gave rise, directly or indirectly, to other branches of trade that were even more advantageous.<sup>27</sup>

*The Commercial Régime of the other Colonies in America*

Guiana was put under the direct control of the crown in 1674. At this time the king sent Admiral d'Estrées to retake possession of the colony, which the West Indies Company had been powerless to defend against the attacks of the English and the Dutch. From the assumption of control by the crown the commerce of Guiana found itself open to all Frenchmen; but, in fact, the colony remained completely forgotten until 1763, when Choiseul conceived the unhappy idea of the expedition of Kourou. With the intention of encouraging the development of Guiana, letters patent of May 1, 1768, granted to this colony the liberty of trading with all nations for a term of twelve years. By a decree of the Council of May 15, 1784, the period of freedom was extended until July 1, 1792. But this liberality was, in great part, the result of disdain and indifference. The commerce of this country was practically nothing, and Arnould does not even mention the total.

The colony of Louisiana was not established before the eighteenth century. The French Government sought at first to secure the development of the country through a chartered company. Letters patent of September 14, 1712, granted to Crozat for fifteen years the monopoly of the commerce of Louisiana, with exemption from all import and export duties. But the grantee became very soon discouraged, in 1717. Accordingly the monopoly was transferred to the West Indies Company for a period of twenty-five years, by letters patent of the month of August.<sup>28</sup> This company, which became in 1719 the Company of the Indies, proved powerless to defend the colony against the attacks of the English and the revolts of the Natchez.



In the month of January, 1731, a general assembly of the stockholders of the company petitioned the king to resume control of the colony, and on January 23 the king consented, the royal government to begin the first of the following January.<sup>29</sup> The commerce of Louisiana became free to all the subjects of the king.

The commerce of this sparsely populated colony developed very slowly. At the outset the only product of the colony was tobacco. After 1731 the attempt was made to secure from Louisiana a supply of wood and animals for the Antilles, but without great success.<sup>30</sup> The cultivation of cane was not introduced into Louisiana until 1745. That of cotton, which later made the fortune of the territory, did not exist in the eighteenth century. 'At the time of the greatest prosperity of this colony, between the peace of 1748 and the war of 1755,' writes Arnould,<sup>31</sup> 'its exports to France and the islands did not amount to more than two millions of livres in value.' The Seven Years' War lost this colony to France.

The colony of Canada was similarly unimportant, commercially. From the commercial point of view, the value of this colony consisted almost solely in the trade in beaver skins.<sup>32</sup> From 1628 to 1663 the monopoly of the trade had been lodged in the Company of One Hundred Partners. Frenchmen who had settled in Canada, other than the agents of the company, could, nevertheless, trade freely in skins with the savages; but they had to sell the skins to the company, who paid them forty French sous apiece.<sup>33</sup> In 1664, this privilege was transferred to the Company of the West Indies, to which it was granted for a period of forty years. But this company gave but little attention to Canada, and in 1666 it leased the monopoly of the beaver trade to an individual. This practice survived the disappearance of the company. When in the month of December, 1676, Canada passed under the direct authority of the crown, the monopoly of the beaver trade was given to the highest bidders for the

revenue administration of the Western Dominions.<sup>34</sup> Such was the disposition of the subject until 1700. In this year, a decree of the Council of State of February 9 granted to the colony of Canada the freedom of the beaver trade, on condition of paying one-fourth of the value to the revenue administration of the Western Dominions. This situation lasted but a short time. A decree of the Council of State of July 24, 1706, granted, for a period of twelve years, the monopoly of the beaver trade to a Canadian Company, founded by Lord Aubert, which was absorbed by the Company of the West, created by the edict of August 1717. This company had, from that time on, the exclusive right to buy beaver skins in Canada and to import them into the kingdom of France. (Cf. decree of the Council of State of July 11, 1718.) The Company of the Indies, which in 1719 succeeded the Company of the West, decided at first to establish freedom of the beaver trade, with the exception of a tax of some sous on each pound of skins (resolution of May 16, 1720).<sup>35</sup> But a resolution of May 30, 1721, re-established the exclusive privilege for the profit of the company. This measure, which was not immediately put into effect, in consequence of the protests which it evoked, was confirmed by an order of January 28, 1722. According to this order, the company was to pay forty sous per pound for dry skins, and four livres per pound for green skins.

The Canadian trade never amounted to much. In 1714 the exports of Canada to France did not amount to 300,000 livres. During the years preceding the Seven Years' War, which constituted the apogee of the colony, its exports did not surpass 1,200,000 livres.<sup>36</sup> This figure was much below the sums expended by the French government on the colony. It is accordingly easy to understand the contempt in which this colony was held by public opinion in the eighteenth century, which has caused so much indignation among historians in the nineteenth century.

*The East Indian Trade* <sup>37</sup>

Almost throughout the period of the ancient régime, the trade with the countries situated beyond the Cape of Good Hope was the object of a monopoly granted to a chartered company. The East Indian Company, founded by Colbert in 1664, had obtained this privilege for a period of fifty years. Its first attempts were directed towards Madagascar; but not succeeding there, it surrendered this country to the king (decree of the Council of June 4, 1686). This island was then abandoned, and the French carried on no trade with it. The company concentrated all its efforts upon India, but the development of traffic was impeded by external circumstances. It at once encountered the hostility of the manufacturers of the kingdom, who dreaded the competition of the Indian fabrics, brought by the vessels of the company. To appease the manufacturers, a decree of October 26, 1686, prohibited the importation of printed calicoes. This decree marks the beginning of a celebrated struggle which lasted a century.<sup>38</sup> Again, the wars of the end of the reign of Louis XIV seriously prejudiced the commerce of the company. In 1707 it saw itself forced to grant to rich merchants permission to send their own vessels to India, for a consideration of fifteen per cent of the profits. Very soon it ceded its exclusive trading privilege to the shipowners of St. Malo. This desperate situation did not prevent it from soliciting the renewal of the privilege, which was about to expire, January 1, 1714. An extension was granted to it for a period of ten years.

At this time, the aggregate of East Indian imports to France amounted to the sum of 6,368,000 livres. They consisted principally in pepper and coffee (2,757,000), in muslin (2,790,000), and in ingots of gold (400,000). The exports from France to Asia amounted, in the same period, to 2,852,000 livres, and consisted chiefly in piastres (2,173,000 livres). There was in addition 542,000 livres of wrought coral, and 107,000 livres of wood and metals.<sup>39</sup>

The edict of May, 1719, combined the Company of the Indies and the Company of the West. This is the beginning of the famous Company of the Indies which, during the space of fifty years, was so powerful and had so many enemies. The writings of the eighteenth century have transmitted to us the statistics, year by year, of its exports and imports.<sup>40</sup> An examination of these statistics shows that, under the régime of the monopoly, the Indian trade did not develop. The exports of merchandise were, in average years, from two to four millions of livres. The imports from India ranged in value from 20,000,000 livres in good years to 10,000,000 in bad years. The company should have extracted an appreciable profit from the inter-Indies trade—the trade which was carried on between the countries beyond the Cape—but it had abandoned this trade to its agents, whom it enriched.

The Isles de France et de Bourbon, which were for the company a base of operations, underwent, from the year 1735, an interesting development. At the outset, the commerce of these islands was entirely in the hands of the company. Later, an edict of August, 1764, put the Mascarenes under the direct authority of the crown. From that time on, the commerce of these islands was open to all the French. Their inhabitants enjoyed, in addition, the privilege of the inter-Indies trade. Just before the Revolution, the exports from France for the Isles de France et de Bourbon amounted to 4,600,000 livres. The imports into France, consisting principally in coffee, reached 2,700,000 livres. The cultivation of spices, introduced by Poivre in 1770, was not yet sufficiently advanced to make full cargoes for France. As for the inter-Indies trade, 'no document', states Arnould, 'permits us to know its approximate extent'.

The suspension of the privilege of the company in the month of August, 1769, opened the East Indian trade to all Frenchmen. A decree of the month of November, 1770, levied a so-called indult duty of five per cent upon the products of India and of China, and of three per cent upon the



products of the Isles de France et de Bourbon. This duty was levied in the orient, on leaving the government warehouses, upon merchandise intended for foreign countries as well as upon that intended for consumption in the French kingdom. This created a situation unfavourable to French commerce, since the Indian goods brought in by foreign commerce was not reached by this duty. To remedy this, a decree of August 25, 1784, decided (art. 1) that the indult duty should be levied also on the merchandise of the countries beyond the Cape brought in by foreign commerce, on entering the French kingdom. At the same time, it exempted from indult duty the merchandise re-exported from the government warehouses of Lorient (art. 2) with the exception of coffees (art. 3). Article 4, likewise, exempted from indult duty Chinese silks, regardless of their destination.<sup>41</sup>

It appears that the régime of liberty established in 1769 was favourable to the development of the India trade, although this has been denied. But this situation was of short duration. A decree of the Council of April 4, 1785, under the ministry of Calonne, re-established the Company of the Indies. The new company obtained the monopoly of the trade with the Indies, 'whether by land or sea, for seven years, not including the years of the war.' The trade of the Isles de France et de Bourbon was not included in this privilege. Certain individuals retained the right of trading with these islands on condition of securing passports from the company and of landing their cargoes, as in the past, at the port of Lorient. The inhabitants of the Mascarenes likewise retained the liberty to carry on the inter-Indies trade, although this was, in principle, included in the monopoly of the new company.

Just before the Revolution, the value of the imports from the Indies amounted to 34,700,000 livres. They consisted : (1) in 26,600,000 livres of manufactured articles, fabrics of white cotton and calicoes, muslins, handkerchiefs, nankeen, and silk stuffs ; (2) 6,000,000 in cinnamon bark, pepper, tea,

and coffee; (3) 1,150,000 livres in raw materials—Indian woods, silk, cotton, elephants' tusks, &c.; (4) 493,000 livres in porcelains, fans, shells, and other articles; (5) 367,000 livres in drugs and divers articles. The exports from France to Asia amounted, in the same epoch, to 17,460,000 livres. These were almost entirely composed of piastres (15,353,000 livres). The remainder consisted almost entirely of merchandise intended for the use of the crews of the trading vessels and for the Europeans settled in those regions. This situation excited the indignation of the adherents of the balance of trade doctrines. 'Does there exist', wrote Arnould,<sup>42</sup> 'a branch of commerce less beneficial to the progress of the public prosperity of France than that which exports none of our commodities, none of our manufactured articles, and which brings us annually more than thirty millions of luxuries, all prepared for use?' The opinion that the East Indian trade was a disadvantage to the kingdom, was current in the eighteenth century.

*The Trade of the Western Coast of Africa*<sup>43</sup>

The trade of the western coast of Africa as far as the Cape of Good Hope had been comprised in the privilege granted in 1664 to the Company of the West Indies. But this company gave but little attention to it, and soon began to sell licences to individuals to trade on the west coast of Africa. The privilege in 1673 passed to a First Company of Senegal; to a Second Company of Senegal in 1681. But very soon the enterprise appeared to be too great for the powers of a single company. In 1684, a clear-cut distinction was established between the trade of Senegal and that of Guinea. The line of demarcation between the two regions was determined, at first, by the river Gambia; but it was soon established at the river Sierra Leone.

The Guinea trade<sup>44</sup> had, as its principal object, the traffic in negroes; it depended secondarily on gold-dust. The monopoly of the trade of the coast of Guinea was taken

away from the Company of Senegal and assigned to a Company of Guinea, in the month of October, 1684. In 1701, this company was replaced by a Company of Assiente which obtained at the same time the monopoly of the transportation of negroes to the Spanish colonies. After the treaty of Utrecht (1713) the Company of Assiente, dispossessed of the privilege which the king of Spain had given it in 1701, disappeared. All French shipowners had, from that time, the right of trading on the coast of Guinea. This position was confirmed by letters patent of January 1716. The object of these letters patent was to encourage the Guinea trade, in order to appease the planters of the Antilles, who continually complained of receiving from Africa an altogether insufficient number of negroes. With this aim, article 5 granted an exemption of one-half of all import duties on merchandise brought by ships carrying on the Guinea trade; this exemption applied not only to merchandise loaded in Africa, but also to that loaded in the islands of America in exchange for negroes taken into those colonies. Article 6 exempted from all export duties merchandise destined for the coast of Africa. Article 7 even permitted the warehousing in France of a whole series of products coming from foreign countries of the north of Europe or the East Indies, and the transshipment of these products to the coast of Guinea. Were not French shipowners obliged to furnish to their African customers the articles which tempted them, if they did not want to lose these customers to their competitors? Letters patent added that this trade with Guinea should be conducted through the ports of Rouen, La Rochelle, Bordeaux, or Nantes.<sup>45</sup> In January 1719, new letters patent were issued in order to permit the merchants of Languedoc to engage in this commerce.

A decree of September 27, 1720 re-established, it is true, the monopoly of the Guinea trade in favour of the Company of the Indies. But this measure aroused such vigorous protests from the planters that the company was very soon forced

to grant to individuals licences, more and more numerous, to trade, meanwhile continuing to carry on the trade on its own account. The letters patent of 1716 were, in consequence, again put into effect. Shipowners who carried on the traffic had only to pay to the company a tax of 10 livres for each slave shipped. This tax ended, with the company itself, in 1769.

The Senegal trade depended upon a greater variety of articles than that of Guinea. Not only were slaves and gold-dust obtained in Senegal, but also gum, wax, ivory, and leather. The monopoly of the trade in these regions passed from the Second Company of Senegal to a Third Company of Senegal in 1696, then to the Company of the West on December 15, 1718, and finally to the Company of the Indies after the edict of consolidation in 1720. The Senegal trade encountered numerous obstacles; at first, the exactions of negro potentates, to whom the company had to pay onerous tribute under the name of *customs*; afterwards, the competition of English and Dutch merchants and of all interlopers. The Seven Years' War was still more injurious to the company. The English took possession of all the French factories. The Treaty of Paris (1763) returned to France only the island of Goree, which the king took back from the company. This island was assimilated, in the commercial regulations, with the countries situated beyond the Cape (letter of Nov. 7, 1769). When France regained possession of the isle of Saint-Louis, in consequence of the war of American Independence, the government again had recourse to the creation of a company in order to resuscitate French commerce in these regions. A decree of the Council of State of Jan. 14, 1784, granted to a company the exclusive privilege of the trade in gum-arabic in the river country of Senegal, for nine years. On November 10, 1786, a new decree granted to this gum-arabic company, named henceforth the Company of the Senegal, the exclusive privilege of the traffic in gum, blacks, gold-dust, ivory and wax, between Cape Blanc and



Cape Verde, until July 1, 1796. This Company was dissolved under the Revolution.

According to Arnould,<sup>46</sup> French traffic on the western coast of Africa amounted, at the end of the reign of Louis XIV, to about 500,000 livres of gum-arabic, ivory, leather, &c., and the number of slaves bought there may have amounted to 2,000. The merchandise exported from France for the African coast was valued at 650,000 livres. Just before the Revolution, the exports for the western coast of Africa amounted to eighteen millions of livres, of which more than ten millions were in foreign merchandise taken from the warehouses of the French government, and about eight millions in national merchandise. The merchandise brought into France amounted to 14,000,000 livres approximately, and the number of negroes bought on the coast of Africa to 30,000. The progress of the trade on the African coast in the eighteenth century was, then, perceptible; but this was above all due to the development of the traffic in blacks and to the encouragement granted to this traffic.

### *The System of Exclusion and Public Opinion*

Before condemning exclusion, the reasons upon which this system was based should be analysed. We should try to place ourselves, in thought, in the circumstances in which it developed, and we should try to gain a sympathetic understanding of the ideas then reigning, which formed, so to speak, the surrounding atmosphere. If we place ourselves at this historic view-point we shall recognize that it was practically impossible for a more liberal system to prevail under the ancient régime. The reasons that caused colonial commerce to be forbidden to foreigners were numerous and admirably consistent.

1. In the first place it is necessary to take into account the general and habitual hostility of ancient law towards the foreigner. Friendliness in international relations is a contemporary idea, born of the development of facilities for

communication and from business relations between peoples. In former times the general tendency was very different. Let one recall the condition of foreigners in France under the ancient régime and the law of aliens. It was by exception that any amelioration was made in this rule. Given this general tendency, it is a natural consequence that the foreigner was excluded from the colonies.

In the second place, we must call to mind what was then the object of colonization. The policy of subjection dominated absolutely. It was commonly said: 'The colonies are established by the ruling state and for the ruling state;' or again, 'The colonies are as different from the provinces of the kingdom as the means differ from the end.'

The needs and the future of the colonies did not enter into account. The special and immediate interest of the ruling state was alone given consideration. The colonies were a private domain, and it was quite natural for the proprietor to reserve them to himself. The only reason for the existence of the colonies was to produce commodities needed by the ruling state and to consume its products. In the instructions addressed by the king to the governor and to the intendant of Martinique, January 25, 1765, we read: 'The colonies founded by the several European powers have all been established for the advantage of those powers. The colonies would not have been established except to facilitate the provisioning of the colonizing state and to provide markets for it.' In another document of the period we read: 'To consume and to produce, such are the true and only objects in the establishment of colonies. To confine their purchases and sales to the kingdom—such is the obligation which they owe to it.'<sup>47</sup>

3. The mercantile system, in which were summed up the economic doctrines which prevailed in the seventeenth century and during the first half of the eighteenth century, led, on its side, to the same conclusion. The aim of the system was to make the precious metals abound in the kingdom.

Such being the end, it was not proper that colonies should make their purchases in a foreign country, for then it would be the foreigner who would reap the benefit instead of the colonizing state. Trade with the colonies should not be carried on by foreign shipowners, for the freight earnings would go to them instead of going to the shipowners of the kingdom. Finally, the colonies should not sell their produce directly to the foreigner, for thus the national merchant would find himself deprived of the profit which he could realize by reselling colonial products to the foreigner. The desire to assure a balance of profitable commerce led in this way to the exclusion in all cases of the foreigner from colonial commerce.

4. The example of other countries also was such as to incite France to persevere in this policy. The exclusion of foreigners was a rule followed at that time by all nations who had colonies. The example had been given by Portugal and by Spain. The other nations had imitated them. Those who would have followed a liberal policy at that time would have seemed to play the rôle of dupe. If French legislation is compared with that of other nations, it may even be said that France was one of the countries where the policy of excluding foreigners was applied with the least rigour.

5. Finally, the relative importance of colonial commerce was such as to lead France to reserve the exclusive benefit of it to herself. It is not easy to gain an adequate estimate of the considerable place then held by colonial trade in the total of our external commerce. 'In 1787', said M. Thiers, 'France drew from her colonies the value of 250,000,000 livres yearly in sugar, coffee, cotton, cocoa, indigo, &c.; she consumed from 80 to 100 millions and re-exported 150 millions, which she spread all over Europe, chiefly in the form of refined sugar. It would be necessary at least to double these values to find values of comparable importance to-day.'

The external commerce of France amounted in 1789, according to Goudard's report, to 702,000,000 of livres, of

which 345,000,000 are imports and 357,000,000 exports. But in the exports the commodities of the islands and of India counted for more than 163,000,000; they formed, then, more than one-third. The Antilles, in particular, sent us in 1789 288,000,000 of colonial commodities and bought from us 78,000,000 of merchandise, consisting chiefly of flour, salted meats, wines, and fabrics. Add to this (1) that the greater part of the colonial sugars were refined in France; (2) that the cotton of the Antilles, the leather of Santo Domingo, the silks of the Far East fed our manufacturies with materials of the best quality; (3) that the African trade, carried on chiefly by the shipowners of Nantes, occupied more than a hundred ships and constituted an important source of profit. In the eyes of many persons, all would have been lost if so important a part of this trade, vast for that epoch, had passed into the hands of foreigners. It would have seemed egregious folly to run the risk of letting so rich a prey escape.

When we take account of all these reasons there is no difficulty in explaining the dogma of exclusion. This dogma was accepted not only by the government and by interested parties, but it also impressed itself with the force of self-evident truth upon even such a thinker as Montesquieu.\*

It has been established that the colonizing nation alone can trade in the colonies; and that with good reason, since the aim of their establishment was the extension of commerce, not the foundation of a city or of a new empire. Accordingly, it is still a fundamental law of Europe, that all commerce with a foreign colony is regarded as purely an infringement upon a monopoly, and punishable by the laws of the country. . . . It is still accepted that the commerce established between two nations does by no means extend to their respective colonies, which remain always under the régime of exclusion. The disadvantage to the colonies, that lose the freedom of commerce, is visibly compensated by the protection afforded by the colonizing state, which defends them by its arms or maintains them by its laws.

In the *Encyclopædia*, Veron de Forbonnais under the title

\* *Esprit des Lois*, xxi. 21.



'Colonie' asserts, likewise, the principle of exclusion. 'If the colony entertains commercial relations with foreigners, or if foreign merchandise is consumed there, the total of this trade and of these goods represents a theft committed upon the colonizing state.' So practical and moderate a writer as Malouet, who, it is to be noted, had a very clearly defined impression of the needs of the colonies, dared not reject the prevalent dogma of exclusion, though he proposed to apply to it certain modifications, suggested by local conditions.<sup>48</sup> Malouet thus appears as a typical representative of the doctrine of mitigated exclusion.

The Economistes, or Physiocrats, were the first to dare to break openly and radically with traditional opinion. Rejecting the mercantile system, they were, naturally, led to reject its consequences. They were convinced of the benefits of competition, and extolled, generally, the free circulation of merchandise. They were logical and faithful to their principles in opposing the colonial system.

The head of the school, Quesnay, gave an excellent criticism on exclusion in some pages entitled 'Remarks upon the opinion of the author of the *Esprit des Lois* in regard to Colonies'.<sup>49</sup> The entire passage deserves to be quoted.

One could offer the objection to M. de Montesquieu, that, granting that the extension of commerce was the sole aim in the foundation of colonies, it would be a very poor way to realize this aim, to give the exclusive privilege of the trade to these colonies to one body, whatsoever it might be, of traders, of whatsoever country they might be, even if it were a body of national traders.

It would naturally result from this exclusive privilege, no matter in what hands it was placed, that the colonies would be less adequately and more dearly supplied with the things which they would need, and that they would dispose of the products of their territory less advantageously. The carriers, assured of the exclusive privilege, would neglect the proper means of economizing in the expenses of navigation, being assured that they would have the means of reimbursing themselves by fixing the price of the freight for the colonies as well as for the ruling country. And the carriers, in turn, in their own dealings would always be at the mercy of intermediate agents

who, secure from all foreign competition, would know no limits in the rate of salaries which they would extort for themselves from the ruling state and from the colonies, other than those fixed by their personal interest, rightly or wrongly conceived. And these intermediaries could err with impunity within a very wide margin, since they would be restricted only by the very feeble internal competition existing among themselves.

Colonies that would be, as has just been said, less adequately and more dearly supplied, and that would sell their products at the lowest prices, would be able to cultivate only their best lands, those which would require little labour and that would yield abundantly enough to be profitable in spite of low prices. That is, lands capable of yielding a high net return. The more difficult lands, which would be capable of cultivation, but which would require more labour or would yield a less return, would remain waste. This would mean so much produce, so much wealth, so much net return, and consequently, so much population, lost for the state and for humanity.

The same criticisms were later repeated by Turgot, by Dupont de Nemours,<sup>50</sup> and by Condillac.<sup>51</sup> They succeeded in convincing a small select number of enlightened minds. But while the ancient régime lasted, these critics remained without practical influence. The system of exclusion came to an end with the ancient régime itself.

## CHAPTER II

### THE REVOLUTION : TARIFF ASSIMILATION

*Guiding Principles.*—The colonial tariff policy of the Revolution was altogether different from that of the ancient régime. In order to make it intelligible, we must first of all set forth the general tendencies which inspired it. We shall then examine the results in legislation in their relation to the various views of the time.

At the opening of the Revolution, the prevailing tendency was a general desire to abolish all existing privileges and to throw down ancient barriers. The abolition of all monopolies and privileges had been generally demanded in the petitions of the States-General, certain ones of which had direct reference to the Company of the Indies.<sup>1</sup> M. de Toqueville, in a celebrated passage of his *Ancient Régime and the Revolution*, has well shown the profound influence exercised by the Physiocrats upon the French Revolution.<sup>2</sup> There was then a general need of economic liberty which no one dared openly to oppose. Even those whose special interest led them to oppose the reforms sought shelter under the flag of liberty, in order to avail themselves of its prestige. Thus, in the discussion of the first general customs-tariff, M. Goudard invoked the idea of liberty to support the policy of prohibition.<sup>3</sup> It was evident that the revolutionary assemblies would approve the ideas of Quesnay, Morellet, Turgot, and Dupont de Nemours on the questions of colonial commerce.

At the same time, public opinion continued to attach to this commerce a fundamental importance. The colonial wares furnished by the Antilles, and principally by Santo Domingo, constituted the chief and essential element of the external commerce of France. ‘Without colonies, no com-

merce' was an argument which, in this period, continually recurred in the discussions. It was regarded as especially important to assure an adequate supply of colonial wares. In the eighteenth century the French consumer had formed new habits. The use of sugar, coffee, spices, and printed calicoes had by degrees become general. The need for these products became more and more imperative. Hence, in the revolutionary assemblies there was constant care to avoid anything that might hinder the development of colonial commerce.

Above all, a new conception of the relation of the imperial state to the colony, directly inspired by the political theories then in favour, came into existence and proved more and more uncompromising from the opening of the Convention. This was the conception of assimilation. A colony was no longer to be regarded as a domain to be exploited, but as a part of France. The preamble of the decree of March 8-10, 1790, expresses this view: 'Considering the colonies as an integral part of the French empire and desiring to share with them the fruits of the happy regeneration which has taken place . . .' In the words of Boissy d'Anglas: 'There can be only one good system of administration and, if we have found it for European countries, why should those of America be disinherited?'

The ideas of liberty, equality, and fraternity dominated the entire colonial policy and dictated in commercial matters this typical formula: 'The commerce of the colonies is a commerce between brothers, a commerce of the nation with a part of the nation'—a fruitful formula which led directly, in a country that had just suppressed all internal tariffs, to the suppression of tariff barriers in the relations between France and her colonies.

We shall later take into account the influence exercised on our subject by considerations arising as a result of the attitude adopted by foreign countries towards France. On the one hand we must consider the current of reciprocal



sympathy existing between revolutionary France and the young American republic, which caused the assemblies to look with a favouring eye upon relations between the French Antilles and the United States. On the other hand, the necessities of the war with England would naturally provoke rigorous measures directed specially against the maritime commerce of that country.

It is proper to enumerate, among the diverse influences, the play of individual interests which never failed to make their appearance. The representatives of the colonies—who, it must be remembered, had seats in all the revolutionary assemblies, the deputies from the ports, the representatives of the manufacturing cities, took part in the discussions and drew for their defence, from the arsenal of considerations herewith shown, the weapons which appeared most useful to them.

*The Constituent Assembly.*—The Constituent Assembly began by suppressing the privilege of the Company of the Indies, which had been re-established by Calonne. The protests and criticisms to which the re-establishment of this privilege had given occasion \* had not yet quieted down. The motion for the suppression of the privilege, put by Hemoux, in the name of the committee on agriculture and commerce, was thoroughly debated (April 1–3, 1790). The motion was carried by a combination of the deputies from the manufacturing cities of the north, who hoped thus to destroy the Indian trade, and of the deputies of the mercantile cities of the south, who hoped to profit by it. By a majority of 101 votes, the Assembly decreed, April 3, 1790: ‘The commerce of India beyond the Cape of Good Hope is free to all Frenchmen.’ The company continued to exist: the effect of the motion was to subject it to competition.

There remained the obligation upon all ships bringing merchandise from India to land at Lorient. This monopoly

\* Recall the affair of the Abbé d’Espagnet.

of the port of Lorient seemed necessary to some, in order to protect the fiscal interest and to prevent fraud. Others urged that to retain it was to re-establish in reality the privilege of the company. The Constituent Assembly, upon the motion of Malouet, settled the matter by a half-way measure: it decided that the return voyage from India could also be concluded at Toulon (July, 1790).

This order was reaffirmed by the decree of June 20-July 6, 1791 'relative to commerce beyond the Cape of Good Hope and to the French colonies'. This decree abolished the indult duty, which no longer had a reason for existing, since the rate of duties on merchandise originating in French trade beyond the Cape of Good Hope had been fixed by the decree of March 2-15, 1791, establishing general rates of import and export duties. This rate was relatively moderate for the period. The decree removed the prohibition upon the import of printed calicoes; on other articles of merchandise it reduced the duty recorded in the general tariff; and it even granted free entrance to certain raw materials. On merchandise taken from the government warehouses and re-exported by sea to foreign countries, half of the duties was refunded. On cotton goods taken from the warehouses and destined for the coast of Africa, the whole of the duties was refunded, on condition that the cloth had been printed in France. No export duty was levied upon the merchandise of the kingdom destined for the countries beyond the Cape.

The trade with Senegal was also made free to all Frenchmen by article 1 of the decree of January 27, 1791. The products of this country (gum-arabic, ivory, gold-dust) were by the general tariff of 1791 subjected to moderate duties or were entirely exempt.

So much for Africa and Asia. In regard to the American colonies, the Constituent Assembly did not have to occupy itself in abolishing the privileges of chartered companies, since these had long ceased to exist. It had only to regulate exchanges between these colonies and France. In this

direction, the Assembly adopted a certain number of liberal measures.

(a) Decree of March 18–29, 1791, ‘relative to import duties on colonial commodities’. The Committee on Commerce of the Constituent Assembly was disposed to suppress almost completely these duties in the interest of the French consumer. But, strange to say, this proposal encountered the protests of the representatives of the colonies. They insisted that no colonial product should be the object of special favour on the part of the French Government. They believed that the duty upon the products of the islands was borne by the consumer, and therefore interfered neither with the cultivation of these products nor with their sale. It was difficult to act in opposition to the wishes of the deputies of the colonies in such a matter. The decree of March 18–29 limited itself, in consequence, to establishing a moderate import duty of three per cent on sugar, coffee, and cocoa, and of fifteen per cent on indigo (art. 1). Article 3 added a consumption tax of 15 sous per quintal of brown sugar, and of 25 sous per quintal of clayed sugar, and of coffee and cocoa. Article 8 enumerated a whole series of other products from the said French colonies of America to which free entrance was granted ‘as well as to national merchandise returning from the colonies’. This last provision should be noted. It constituted, observes M. Pallain,<sup>4</sup> the first exception made to the rule according to which French merchandise remaining abroad unsold and re-exported to France was subject to import duties.

(b) Decree of June 22–July 7, 1791, ‘relative to the outfitting of vessels destined for the commerce of the islands and French colonies’. This decree authorized the outfitting of vessels bound for the colonies in all the ports of France (art. 1) and their return to any port of France whatever, and not only to that from which they had cleared (art. 2). It reaffirmed the exemption from export duty for all merchandise intended for the colonies (art. 3), exempted from all

import and export duty a certain number of articles of foreign merchandise loaded from the government warehouses of France and having the colonies as destination (arts. 5 and 6), and finally authorized the transfer of those goods from one warehouse to another (art. 7). 'This', says M. Pallain,<sup>5</sup> 'is the origin of the system known as interchangeability of warehouse.'

As for the treatment of exports and imports in the colonies, the liberality of the Constituent Assembly had, at the beginning, led this assembly to refer the matter to the local assemblies. The decree of March 8-10, 1790, 'which authorizes the colonies to make their wishes known regarding the legislation and the administration which suits them', declared (art. 6): 'The same colonial assemblies shall announce their wishes regarding modifications which can be made in the régime of prohibition of trade between the colonies and the mother country.' But, as a result of encroachments on the part of these assemblies, the Constituent Assembly was led, before adjournment, to reaffirm the rights of the legislative power of the imperial state, in the decree of September 24-8, 1791, of which article 1 decided: 'The national legislative assembly shall have exclusive power to legislate upon the external policy of the colonies: in consequence, it will enact: (1) all laws regulating the commercial relations of the colonies.'

In short, the Constituent Assembly had adopted a liberal policy, in the sense that it sought to remove impediments to the commerce of the colonies with the imperial state. It did not, however, touch upon the relations of the colonies with foreign countries, and the system of exclusion remained in force.

*The Legislative Assembly, the Convention, and the Directory.*—The Legislative Assembly (October 1791-September 1792) paid little attention to the colonies except to abolish the bounty which had been granted in support of the slave trade (August 11, 1792).



The work of the Convention (October 1792–Brumaire, Year IV) was dominated by anxiety regarding the triumph of its principles and by the necessities of external policy. The war had rendered difficult maritime relations between France and the colonies. While France was deprived of colonial wares, the colonies were in danger of famine. Hence the decree of February 19, 1793, which opened all the ports of the French colonies to the vessels of the United States of America (art. 1) and decided that commodities imported or exported by these vessels should pay only the same duties as were levied on commodities carried by French ships. Very soon afterwards, the decree of March 26, 1793, exempted from all duty in the ports of the colonies articles necessary for subsistence brought by such vessels (art. 1) and authorized them to load coffee and sugar in the colonies in order to secure return freights (art. 2). Article 6 authorized the American ships even to carry the commodities of the French colonies into the ports of France, and article 7 granted the same favour to the ‘sea-craft of the nations with which the French Republic is not at war’. These were, evidently, measures dictated by necessity.

Some months later, the decree of September 11, 1793, abolished all duties on the products ‘of the French colonies of America, the Isle of France, Bourbon, and Mozambique’, on their exportation from the colonies (art. 1) as well as on their importation into France (art. 2). This was, at the same time, the logical consequence of the principle of tariff assimilation already proclaimed by the Constituent Assembly, and a measure dictated by desire to encourage French consumption. In this respect, the Convention carried its policy to a logical conclusion, while the Constituent Assembly had stopped half-way.

This thoroughgoing action was, moreover, in keeping with the general policy of the Convention. While the Constituent Assembly had limited itself to suppressing the privilege of the companies, the Convention suppressed the

companies themselves, and forbade the creation of others in the future (decree of the 26–29 Germinal, Year II). Further, not content with taking new measures against the slave trade, the Convention adopted a radical measure abolishing slavery, the 16th of Pluviôse, Year II.

The celebrated Navigation Act of September 21, 1793, dates from this epoch. Its first article adopted the principle of the prohibition of indirect trade, and its third article reserved navigation from French port to French port to the national flag. This act should not be considered as specially unfavourable to the colonies. Theoretically, the rule was not more annoying to the colonies than to the imperial state. Far from the thought of sacrificing the colonies, the Convention believed that it was serving them indirectly by encouraging the national marine. ‘You require a marine,’ said Barrère in his report, ‘for without a marine, no colonies, and without colonies, no commercial prosperity.’

Under the Directory, we must call attention to the fundamental law of Nivôse 12, Year VI, concerning the constitutional organization of the colonies. Title XII, arts. 40 to 45 (imports and exports), is devoted to colonial commerce.

But it is useless to discuss these regulations at length. In the revolutionary period, the character of all these provisions was somewhat theoretical. The colonies had fallen into the hands of the enemy. Their trade with France was, so to speak, nil. In fact, it was the United States, instead of our colonies, that supplied France with sugar, coffee, cotton, and tobacco. But this situation resulted from the maritime war, and not from legislative measures in regard to colonial commerce. Accordingly one cannot draw from the revolutionary history any conclusion relative to the intrinsic value of the policy of tariff assimilation.

### CHAPTER III

#### THE FIRST HALF OF THE NINETEENTH CENTURY. THE RETURN TO EXCLUSION<sup>1</sup>

*The Consulate and the Empire.*—The policy of the Consulate and of the Empire was characterized by a general tendency toward reaction from the Revolution and by a reversion to the policies of the ancient régime. In colonial affairs, the law of Floreal 30, Year X, gave very definite evidence of this reaction by re-establishing slavery and the slave traffic, 'in conformity with the laws and regulations in force anterior to 1789.'

Tariff assimilation disappeared very soon afterwards. The resolution of Messidor 4, Year X, simply restored in the French colonies of America the decree of the Council of August 30, 1784. The resolution of Thermidor 3 following, re-established the tariff duties upon colonial commodities (import duties, rather light, levied on the arrival of colonial products, without distinction; consumption duties, much higher, on sugar, coffee, cocoa, sweetmeats, molasses, and pepper intended for consumption in France). It established at the same time, on the products of foreign colonies, tariff duties noticeably higher. The Senegal trade was the object of a whole series of provisions which, in short, did nothing more than re-establish the regulations in force under the ancient régime.<sup>2</sup> It was even proposed to revive the privileged companies of colonization.<sup>3</sup>

These legislative provisions, made very shortly after the peace of Amiens (March 25, 1802), were the expression of a certain economic policy. After the breaking of the treaty of Amiens (May 13, 1803), the regulations adopted regarding colonial commerce were no more than measures of war. By greatly increasing the duties on colonial commodities and on

cotton and by the continental blockade,<sup>4</sup> Napoleon sought to ruin the commerce of England. His intention was to make continental Europe sufficient unto itself, economically, and independent of imports from beyond seas. It was with this aim that he encouraged the cultivation of the sugar-beet. France, in this period, was almost completely deprived of colonial commodities. The consumption of sugar fell from thirty millions of kilogrammes to eight millions, in spite of the notable extension of French territory.<sup>5</sup> The price of sugar rose to six francs the half kilogramme. It was a characteristic fact that it was from the pharmacist and not from the grocer that the public bought its sugar. As for coffee, it had been replaced in use by chicory.<sup>6</sup>

The only lesson which this period of the colonial history of France offers us is to be derived from the final failure of this monstrous attempt at economic isolation.<sup>7</sup> One after the other, all the French colonies fell into the hands of the enemy. Colonial commerce, so flourishing at the eve of the Revolution, ceased to exist. The treaty of May 30, 1814, acknowledged the final loss of the first colonial empire of France.

### *The System of Exclusion under the Restoration*

The treaty of May 30, 1814, restored to France only some wretched remnants of the immense colonial empire which she had possessed in the seventeenth and in the eighteenth centuries. The colonial dominion of France consisted in the four plantation colonies of Reunion, Martinique, Guadeloupe, and Guiana, that were called in this period the 'major colonies', and of the trading dépôts in India and Senegal and the small establishment of Saint-Pierre and Miquelon that formed the 'secondary establishments'. During the whole period of the Restoration, these different possessions constituted the whole of the colonial domain of France.

After 1830, outside of Algeria, which requires separate consideration, the Government of July added little to the domains except some small islands in the Indian Ocean and



in the Pacific, whose economic importance was necessarily very limited. We must bear in mind these limitations upon the colonial domain of France at that time, in order to comprehend the policy followed by the French government.

The restoration of authority over those colonies, which was effected from 1815 to 1817, forms the point of departure for the re-constitution of the colonial empire of France. This action was followed, under the reign of Charles X, by a remarkable reorganization of policy and administration. The ordinances of 1825, 1827, and 1828 laid down the essential and fundamental principles of the government of the major colonies. But from the economic point of view, France continued to drag along in the rut of the ancient colonial policy. Why?

(a) The policy of exclusion was entirely in harmony with the ultra-protectionist policy adopted by the Restoration and continued by the Monarchy of July. How could legislation relative to the colonial trade take a liberal direction when legislation concerning foreign trade was inspired by ideas narrower than ever? Under the Revolution and under the Empire, attempts had been made to destroy foreign commerce for political reasons. Under the Restoration and under the monarchy of July, it was for the purpose of advancing the private interests of the great proprietors and of the great manufacturers, who, in a legal sense, constituted the country, that systematic attempts were made to increase the price of all the products of agriculture and of national industry. So long as the legislative bodies were haunted by this continual preoccupation, how could any one have thought it worth while to propose the freedom of the colonial trade?

(b) The plantation colonies—the only ones that were then worth considering—were still regarded as a remote estate destined to furnish France with the colonial commodities necessary for her consumption. This was, in short, the sole reason for their existence. It was to assure her supply of sugar, coffee, cocoa, that France had demanded their restora-

tion. So long as a market was made for their products, even a privileged market, it was thought that the planters should consider themselves satisfied. The imperial state, it was thought, had a perfect right to enclose its private possessions and exclude neighbours imprudent enough to try to enter.

The Restoration returned thus, as the Consulate had done before it, to the system of mitigated exclusion established by the decree of the Council of August 30, 1784, combined with the Act of Navigation of 1793, which still remained in force, in principle, in spite of the modifications which had become temporarily necessary during the wars of the Revolution and of the Empire. The force of events had, however, impressed upon the government of the Restoration the necessity of certain limitations upon this policy, varying according to the several colonies.

1. *The Antilles.* The régime of mitigated exclusion, applied to Martinique and to Guadeloupe as soon as France had retaken possession of them, was made definite and was freed from some of its harsher features by a royal ordinance of February 5, 1826. The text of this ordinance laid down the principle that no merchandise coming from foreign countries might be imported into these islands, either by French ships or by foreign ships, under penalty of confiscation of ship and cargo (art. 8). But it granted that, by exception, certain foreign articles of merchandise, enumerated in the lists I and II annexed to the said ordinance, could be imported into the ports of Saint-Pierre, Fort-Royal, La Trinité, Basse-Terre, and Pointe-à-Pitre, whether by French or foreign ships (arts. 1 and 2). The ordinance fixed at the same time the duties applicable to these articles of merchandise. For those enumerated in list I (live animals, salt beef, dried vegetables, maize, rice, codfish, salt, tobacco, wood, charcoal, leather, fodder, fruits, &c.) the duties varied according to the nature of the product.<sup>8</sup> As for the articles of merchandise enumerated in list II, they were subjected to

a very moderate duty of five centimes per 100 kilogrammes, which was likewise applied to the articles of merchandise enumerated in list I when imported from France in French ships (arts. 3 and 6). Article 5 maintained the duty of one per cent levied upon all merchandise imported from France. Article 11 established the right of re-exporting free of duty, for foreign countries, under any flag, by the open ports, any French or foreign merchandise imported into the colony. Raw products, however, could be exported only to French ports and by French ships (art. 12). Upon this point the ordinance upheld the ancient rule.

It is to be noted that the governors were expressly forbidden to modify in any particular the rates fixed by the ordinance (arts. 3, 5, and 6). Also the ordinance contained provisions designed to prevent the abuse of the power, which it was necessary to repose in the colonial administrators, to authorize in exceptional circumstances the importation of foreign breadstuffs (art. 14). The governors of the Antilles, urged by the population, had frequently made use of the pretext of a threatened famine to authorize the introduction of American breadstuffs, and the government had already found it necessary on several occasions to place restraints upon such action.

2. *Reunion*. So far as this colony was concerned, it was not possible, as in the case of the Antilles, to maintain practically the ancient system. The treaty of 1814 had separated the two sister islands : Mauritius had remained in the possession of England. It was impossible to destroy the business connexions between the two Mascarenes which had been up to that time so closely united. Again, the Ministry of the Marine considered the isle of Bourbon as a base of operations destined to facilitate the development of French influence in Madagascar. Accordingly it was advisable to grant certain privileges to the trade between Reunion and this great island. Finally, it was in accordance with established tradition to grant freedom of commercial relations between

the Mascarenes and the countries washed by the Indian Ocean. These considerations explain the modifications upon the system of exclusion introduced almost from the first in Bourbon by a series of local ordinances.<sup>9</sup>

3. *Guiana*. We have seen that under the ancient régime the port of Cayenne had been open to foreign ships. This privilege was maintained under the Restoration by a royal ordinance of April 23, 1817. A ministerial decision of February 2, 1818, supplemented this measure by permitting French ships to bring into Guiana foreign merchandise loaded in France. The small importance of this colony and the condition of neglect in which it had always vegetated explain this favour. The foreign trade, however, was treated less favourably than the French. While French merchandise imported directly by French ships paid only two per cent or even entered free, foreign merchandise paid five per cent or ten per cent according to its nature ; certain kinds were even prohibited. Likewise, with exports, the duties on produce intended for foreign countries (two per cent) were higher than those fixed upon produce sent to France (one-half per cent).

4. *India*. The régime of exclusion was inapplicable to the French establishments in India. In addition to the fact that it would have been impossible to prevent smuggling, a policy of economic isolation would have been directly in contradiction to the reason for the existence of these possessions. These were, in fact, only trading posts intended to facilitate the interchange of French merchandise and the products of the Far East.

The tariff law of April 23, 1818, contained a section, III, 'French commerce in India' (arts. 18 to 27), which granted to this commerce certain favours : exemption from export duties for French merchandise and for foreign merchandise taken from the bonded warehouses of France, destined for these countries (art. 19) ; reduction in tariff duties on a whole series of products from the Far East imported in ships engaged in this trade (art. 20). As in the past, these privi-



leges granted to the Indian trade were also accorded to the isle of Bourbon (arts. 25 and 26).

5. *Senegal*. Saint Louis of Senegal and the island of Goree were likewise mere trading posts. Goree had long presented this character. The trade between this island and France was reserved to the national flag, but the products of non-European countries could be imported into Goree under any flag. As for Saint-Louis, its situation was modified as soon as the government of the Restoration undertook to make of the valley of the Senegal a plantation colony by developing the production of sugar-cane, coffee, cotton, and indigo. This region was from that time closed to foreign merchandise and subjected to the régime of exclusion (1819). After 1833, when the government was forced to acknowledge the failure of its efforts to develop the colony, there was a return to the former régime.

A comparison of the tariff régimes of the several colonies shows that exclusion was applied with greater or less rigour according as a colony was of greater or less importance. This is clearly shown by the following table, taken from the *General Table of the Commerce of France* for the year 1829, which gives, in millions of francs, the figures of special commerce \* (official values):

	<i>Imports.</i>	<i>Exports.</i>
Guadeloupe . . . . .	23·3	22·1
Martinique . . . . .	18·4	20·6
Bourbon . . . . .	10·5	15·5
Cayenne . . . . .	1·1	1·8
French India . . . . .	0·5	1·4
Senegal . . . . .	1·4	2·6
Saint-Pierre and Miquelon . . . . .	0·0	0·4

The table speaks for itself. The Antilles and Reunion were the only colonies whose production was of any considerable importance and which offered a market for the merchandise of France. Accordingly France reserved for

\* 'Special Commerce' represents the direct trade. It excludes the re-export and transit trades, which are included in the 'General Commerce'. —Translator.

herself the market of these three islands. If she showed herself more liberal toward Guiana and toward the secondary establishments, it was because these colonies produced almost nothing and offered for her exports but an insignificant opening.

*Régime applicable to colonial commodities on their entrance into France.*—The favours accorded to the products of the French colonies on the market of France represent the other side of the exclusion policy. The order of Count d'Artois, April 23, 1814, taxing uniformly the products of the French colonies and those of the colonies of other powers, was only a provisional measure, by which the new régime wished to give immediate satisfaction to the public by opening the national market to the products of which it had been deprived during the wars of the Empire. The law of December 17, 1814, re-established the colonial privilege by reducing the import duties on the products of the French colonies, and by granting them certain transit and warehousing facilities. The law of July 27, 1822, in article 5, determined in a precise manner the conditions under which these favours were granted.

Of all the colonial products, the most important was sugar. The law of December 17, 1814, fixed at forty francs per 100 kilogrammes the duty on French brown sugar, and that on foreign brown sugar at 60 or 65 francs, according as importation took place under a French or a foreign flag. The duties on loaf sugar were fixed respectively at 70, 95 and 100 francs—excessive rates, whose object was to exclude such sugar from the French market in the interest of the shipowners. As a matter of fact, loaf sugar ceased to be imported. As for refined sugars, they were prohibited, in the interest both of the shipowners and of the sugar-refiners of the ports. The laws of April 28, 1816, of June 7, 1820, of July 27, 1822, and of May 17, 1826, again increased the duties and widened the difference between French and foreign sugars.

The result of this policy was decidedly to develop the

production of sugar in the Antilles and in Reunion. These islands, from that time, devoted themselves completely to the cultivation of sugar-cane, abandoning the so-called secondary staples of coffee and cocoa. Foreign sugar found itself completely driven from the French market. In 1829 the raw sugar of the French colonies sold in France amounted to 73,769,000 kilogrammes; the foreign raw sugar (not white) to 229,000 kilogrammes only. The quantity of clayed sugar imported was insignificant.

The situation thus artificially created was destined in the end to turn against the planters. The consumption of sugar in France, checked by the excessive tariff rates, did not keep pace with the colonial production. The sacrifice made by France in condemning herself to buy no other sugars than those of her colonies appeared greatly to exceed the advantages which she received from the alleged reciprocal arrangement. 'In the existing system', said Count de Laborde, 'it is not the colonies that belong to the nation, it is the nation which appears to be a dependency of the colonies.' The planters, on their side, complained of the fall in the selling price, resulting from the fact that the French market did not absorb all of their sugar. Thence the necessity of seeking to discharge the over-flow upon foreign countries. Attempts were made to encourage the exportation of colonial sugar, refined in France, by a system of premiums or of drawbacks. In this period, the sugar question brought out innumerable pamphlets and raised incessant discussions in the Chambers, where changes were continually proposed. The situation seemed impossible of solution. How could the planters, the shipowners, the refiners, the consumers, and the treasury be satisfied at the same time?

Meanwhile, an unlooked for competition was arising. The cultivation of the sugar-beet, which Napoleon I had encouraged, developed in the departments of the north of France. The beginnings had been very modest. The attempt was regarded with scepticism, and it had not even been thought

worth while to tax this native sugar. Under the favour of this exemption, the production of beet-sugar had progressed very rapidly. The excessive tariff rates gave it a considerable artificial advantage. Finally, the importing interests became disturbed, and, under the monarchy of July, there began a celebrated struggle between sugar-cane and sugar-beet. A law of July 18, 1837, taxed for the first time native sugar, although less heavily than the imported sugar.<sup>10</sup> The production of beet-sugar continued nevertheless to develop. There was a movement to kill this industry which, according to the saying of Marshal Bugeaud, had the *monomania of living*. Planters, shipowners, and refiners of the ports banded themselves together and obtained the introduction of a bill prohibiting the manufacture of beet-sugar, and appropriating 40,000,000 francs as an indemnity to the manufacturers thus to be expropriated. Fortunately it was impossible to realize this absurd project. The law of July 2, 1843, contented itself with establishing equality of taxation for colonial and native sugar. At the end of the reign of Louis Philippe, the consumption of cane sugar in France amounted to a million quintals; the production of beet-sugar reached 500,000 quintals—a third of the total consumption.<sup>11</sup>

*Mitigations introduced in the System of Exclusion at the End of the Reign of Louis Philippe.*—The competition of beet-sugar was the new fact which was destined to bring ruin upon the ancient colonial system. From the time that the colonies ceased to enjoy the benefits which the so-called reciprocal arrangement was to insure them, it became supremely iniquitous to continue to make them bear the burden which the relation had imposed on them. The issue at stake was one of simple justice. Lamartine, in speaking of the colonies, expressed the situation in the following terms: ‘Leave them free, or let them live.’<sup>12</sup> So soon as the colonial system became powerless to assure to the colonies the sale of their sugar, the continuance of the system of exclusion became indefensible.

The system of exclusion did not, however, disappear



immediately. All that had been done, by the end of the Monarchy of July, was to modify it in some particulars. A law of July 12, 1837, authorized the creation of customs warehouses in the Antilles and in Reunion. At the same time the tariff régime of these colonies was revised.

This revision was carried into effect, for the Antilles, by an ordinance of December 14, 1839, replaced some years later by the law of April 29, 1845. This law gave a long list of articles of foreign merchandise of which it authorized the importation, and fixed at the same time the duties applicable to these articles. It required only that merchandise coming from Europe or from the non-European countries situated on the Mediterranean, be brought in by French ships. The law of 1845 suppressed in addition the three per cent duty formerly levied in the Antilles upon merchandise imported from France. But it brought no mitigation of the regulations which forbade the exportation of the products of the Antilles, notably sugar, to foreign countries, and the use of the foreign flag in colonial intercourse. It confined itself to the concession that the products of the Antilles exported into France should pay no export duty. The ordinance of October 18, 1846, regarding the tariff régime in Reunion went a little farther in the sense of freedom. Table A annexed to this ordinance gave a long list of articles of foreign merchandise the import of which was permitted in the isle of Bourbon, on payment of a specific duty which varied according to whether the importation had taken place by French or by foreign vessels. Table B enumerated a whole series of articles coming from China which were to be admitted on payment of a duty of twelve per cent *ad valorem*. Table C related to merchandise imported from Pondichéry or other French dominions. Table D enumerated a whole series of products which were to be admitted free when imported by French ships and which were to pay, on entering, the duties registered in the French national tariff when imported by foreign ships. Finally, list E treated of the navigation duties. In

regard to exports, the ordinance of 1846 permitted in principle the exportation of the products of the isle of Bourbon to foreign countries, with the exception of sugar, coffee, and cotton. It abolished, moreover, export duties on products exported under the French flag.

The importance of these modifications was such as to indicate that the disappearance of the colonial reciprocal system was only a matter of time. But the ancient system continued to exist nevertheless, in principle.

The *General Table of the Commerce of France* for the year 1847 shows the importance of the trade of France with its colonies just before the abolition of slavery. The following figures are those of the special commerce: for the first time, they are expressed in actual values. They are given in millions of francs.

	<i>Imports.</i>	<i>Exports.</i>
Guadeloupe . . . . .	23·7	14·3
Martinique . . . . .	18·1	15·4
Bourbon . . . . .	19·2	10·4
Guiana . . . . .	1·6	2·3
French India . . . . .	2·9	0·4
Senegal . . . . .	3·8	6·3
Saint Pierre and Miquelon . . . . .	10·5	7·2
	<hr/> 79·8	<hr/> 56·3

*Algeria.*—Before the conquest, Algeria, included in the Barbary States, was for France a foreign country. After the conquest, ‘the French possessions of the north of Africa’ could not rationally be considered as such. As soon as it was decided by the government to retain Algeria permanently (Ordinance of July 22, 1834), it became necessary to establish on a new basis the régime applicable to Algerian products on their entrance into France, and to determine the régime to which both French and foreign products should be subjected, on their entrance into Algeria.

The years 1835, 1843, and 1851 mark three stages of evolution. A twofold tendency characterizes this evolution: (1) a tendency towards a progressive lowering of the barrier between France and Algeria; and (2) a tendency towards

a progressive raising of the barrier between Algeria and foreign countries.

A customs service had been organized in Algeria immediately after the conquest by an order of the General-in-chief, September 8, 1830, and a tariff had been decreed by another order of October 17 following. But these provisional measures, taken by the local authorities, offer only a mediocre historical interest. The first decisive text proceeding from the central government is the royal order of November 11, 1835, 'which determines the customs and navigation duties to be levied in the French possessions of the north of Africa.' In regard to the duty, the ordinance made a distinction between French products and foreign products. French products entered free, with the exception of sugars (art. 7). Foreign products were subjected to a tariff duty, but less than that collected in France: a quarter of the French duties, if they came from a foreign port, a fifth, if they came from a French port (art. 10). The prohibitions were replaced by an *ad valorem* duty of fifteen per cent or twelve per cent according to the same principle of distinction (art. 11). Certain articles of foreign merchandise enumerated by article 8 (grain and flour, hay, straw and fodder, vegetables, fruits, wood and coal, horses and other domestic animals, plants and seeds, divers construction materials) were even permitted to enter free. Light duties, purely fiscal, were established by article 9 on sugars and coffees: 10 francs on French sugar and 20 francs on foreign sugar (16 francs on the latter if withdrawn from the government warehouses of France), 15 francs on coffees (12 francs if withdrawn from the government warehouses of France).

A corresponding distinction was made in the matter of exports. Products exported to France were free of all export duty (art. 13); products destined for foreign countries paid duties established by the export tariff in force in France (Merchandise, whose exportation from France was forbidden,

paid fifteen per cent export duty from Algeria). As to navigation, the ordinance of 1835 decided that transportation between France and Algeria could be carried on only by French ships (art. 1).<sup>13</sup> Also navigation from Algerian ports to Algerian ports was reserved for French ships and for the craft called *sandals* (art. 2). French ships and *sandals* were exempt from all navigation duties (art. 4). On the other hand, foreign vessels paid 2 francs per measured ton, and other small taxes (art. 5).

On the whole, this ordinance gave satisfaction to France in its commercial and maritime relations with Algeria. But there was no reciprocity: the French tariff administration continued to treat Algeria as a foreign country, and Algerian products as foreign goods. It was not until 1843 that a preliminary modification was introduced into this situation by an ordinance of December 16.

Article 1 of this ordinance, relative to imports from Algeria into France, reduced by one-half the duties collected on certain Algerian products and granted to others the same treatment as to similar products of Senegal and of the other French colonies. The products thus favoured were, in general, crude materials (unsorted wool, raw skins, raw silk, raw cotton, minerals, crude cork), or special products of local cultivation (olive oil, table fruits). They were, however, few (twenty-four articles only). The antiquated principle according to which Algerian products were treated in France as foreign, still remained the general rule.

Article 2 related to the exports from France to Algeria. It freed them from all export duty, with the exception of some raw materials. Merchandise whose exportation to foreign countries was forbidden was denied the privilege of exportation to Algeria.

As against these first meagre concessions to the trade between France and Algeria, we must set the increasingly severe restrictions upon foreign shipping and foreign goods in Algeria. This was the subject of another ordinance of



the same date (December 16, 1843). The navigation duty was raised from two to four francs, specific duties, perceptibly higher than the *ad valorem* duties previously collected, were imposed upon foreign fabrics of cotton or wool, with the intention of excluding English goods, 'the arrivals of which, increasing daily, almost completely exclude our articles from a market so dearly bought with our blood and our gold.'<sup>14</sup> Foreign sugars were treated much more severely: they were subjected to the general tariff duties of the mother country, and refined sugars were prohibited. The general level of duties upon foreign merchandise was raised to one-third of the duties collected in France (to one-fourth if the goods came from the bonded warehouses of France). Foreign merchandise, the importation of which into France was forbidden, paid, upon entering Algeria, twenty-five per cent or twenty per cent, following the same basis of distinction. This was a perceptible increase of the duties established by the ordinance of 1835. The ordinance of 1843 thus appeared as a manifestation of a very clearly defined will to reserve the Algerian market for the French producers.

The law of January 11, 1851, tightened still more the bonds between France and Algeria.<sup>15</sup> This law affected the tariff systems of both countries. In regard to France, it did away with the last export duties which still existed (art. 3); granted free entrance into France to a certain number of natural products of Algeria, enumerated in list I (art. 1) and to the products of Algerian industry enumerated in list II (art. 2).

As a set-off, article 4 determined that foreign products imported into Algeria should, in general, pay the same duties as if they had been imported into France by the ports of the Mediterranean.

From this rule exception was granted by article 5 in the case of certain descriptions of merchandise which were still permitted to enter Algeria free (materials of construction

enumerated in list III, products necessary for vegetable or animal reproduction, enumerated in list IV), and in the case of certain articles that might be imported upon payment of a reduced duty (products enumerated in list V, add. art. 6).

Article 7 laid down the general rule of freeing from all export duties products of Algeria destined for foreign countries. By exception, some products were subjected to the export duty established by the general tariff of the mother country, and some other products could be exported only when intended for France.

Such were the essential provisions of the law of 1851, voted twenty years after the conquest. The analysis of the legislative evolution of which it constitutes the result, suggests a curious comparison. On the one hand we see how easy it was, as early as 1835, to secure the free admission of French national products into Algeria, and with what zeal, when occasion presented itself, as in 1846 and 1851, duties were levied in Algeria on foreign products. On the other hand, we see how difficult it was to obtain the free entrance of Algerian products into the national domain. The law of 1851 met with such lively resistance in the Assembly that Hippolyte Passy was led to remark: 'As for the arguments which I have just heard, if in 1791 the internal barriers which oppressed our provinces had not been thrown down, men would still be found who would demand the maintenance of them.' Yet the reform of 1851 was in no way radical. After the enactment of the law, free importation, it must be noticed, still remained the exception.

## CHAPTER IV

### THE SECOND EMPIRE

#### COMMERCIAL FREEDOM AND TARIFF AUTONOMY

*Causes which brought about the Abandonment of the Ancient Colonial System under the Second Empire.*—No modification had been made in the ancient colonial system under the Second Republic. The duration of this régime (1848–51) was very brief; moreover, in this period, political and social reforms preoccupied public opinion much more than did commercial questions. All effort was turned towards the abolition of slavery and the measures of transition needed in order to palliate the crisis which resulted from the abolition. The general tendency was to return to the policy of assimilation (colonial representation was re-established); but no result was obtained from this policy so far as the tariff régime was concerned.

Under the Second Empire, on the contrary, a radical transformation of the colonial tariff régime took place. It was brought about by a combination of numerous causes.

1. First, the general triumph of commercial liberty. The ideas of free-trade, made popular by Frédéric Bastiat in his *Sophisms* and *Pamphlets* and in his *Economic Harmonies*, had penetrated enlightened minds. Economists had united and were aware of their force and of their influence. They had founded the *Journal des Économistes* (1841) and the *Society of Political Economy* (1842). They had published the *Dictionary of Political Economy* (1852), in which M. de Molinari (see 'Colony') had presented a critique of the ancient colonial system. Several of them, in particular Michel Chevalier, had become, under the Second Empire, men of weight and influence. The Emperor had been won

over to ideas of commercial liberty. The government seemed to wish to make Frenchmen forget the loss of political liberty by turning their aspirations towards the conquest of economic liberty and the development of material progress. From this epoch dates a whole series of liberal measures in commercial affairs: the treaty of commerce, January 23, 1860, with England; the law of May 5, 1860, abolishing duties on the importation of raw materials; the law of May 16, 1863, suppressing almost all prohibitions as well as the export and transit duties; the law of May 19, 1866, establishing freedom of navigation, &c. The abolition of the ancient colonial system was in harmony with all these measures; it constituted, in a sense, their corollary. How could trade with the colonies have remained subject to a restrictive régime when trade with foreign countries had been placed under a régime of open competition?

2. Among all these liberal measures, those relating to the fiscal treatment of sugars inevitably exerted a pronounced effect in colonial affairs.<sup>1</sup> In virtue of the law of 1843, cane-sugar and beet-sugar had since 1847 been subjected to equal imposts. Domestic sugars and the sugars from the French colonies of America, paid 45, 49, 50 or 54 francs, according to grade. The sugars from Reunion, more distant from the French market, paid respectively 30, 43, 47, and 50 francs. Foreign sugars, classed only as crude white, other than white, and clayed sugars, paid from 60 to 105 francs. The production of domestic sugar progressed steadily, while the planters, severely affected by the abolition of slavery, no longer succeeded in maintaining the production of cane-sugar at the former level. It was necessary, by a law of June 13, 1851, to grant to colonial sugar a relief from taxation on account of distance, that is to say, an actual reduction in the impost. Colonial sugar could no longer compete with domestic sugar on equal terms. This reduction of taxation for distance, at first granted temporarily, was successively extended until January 1, 1870.



The policy of the Second Empire was to place colonial sugar under a régime of free competition, with all the advantages, but also with all the risks which this régime naturally carries with it. The decree of March 27, 1852, which very soon repealed and replaced the law of 1851, fixed the impost at 38 francs for colonial sugar and at 45 francs for domestic sugar, the basis of taxation being the type known as 'good fourth from the Antilles'. The duty upon foreign sugar, fixed at a general level of 57 francs, varied in reality between 52 and 72 francs according to its place of origin. The same decree suppressed the prohibition under which the refined sugars of the colonies had remained up to this time. The duties upon foreign sugars were very soon reduced again, at first, by the decree of December 20, 1854, and afterwards by that of December 29, 1855. From that time, the most-favoured foreign sugars reached the point of not paying higher rates than domestic sugars. Again, the law of March 23, 1860, with the aim of developing internal consumption, reduced considerably the duties on sugars. It was hoped to place sugar, until then considered an article of luxury, within the reach of the general consumer. This law fixed the duty on domestic sugar at 25 francs. Thanks to the principle of tax reduction for distance, the duty was reduced to 19 francs for the sugar of Reunion, and to 22 francs for the sugar from the American colonies. As for foreign sugars, the law of 1860 subjected them to surtaxes, varying according to whether they had been imported by foreign or by French ships. But in the year following, the greater part of these surtaxes were suppressed or reduced (decree of January 16, of May 27, and of June 24, 1861). Colonial sugar could no longer hold its own, except by great effort, against the double competition of domestic sugar and foreign sugar. From that time, it became manifestly iniquitous to continue to make the inhabitants of the colonies support the burdens of a colonial system from which they had ceased to derive benefits.

3. The tendencies to reform were encouraged in France by foreign example, and, in particular, by that of England. After having obtained the abolition of the corn laws, the Manchester League had undertaken a second campaign with the purpose of suppressing the Navigation Act and of giving to all English colonies the liberty of exchanging with the entire world, and this campaign had been crowned by success.<sup>2</sup>

The lofty and generous language employed, on this occasion, by the leaders of the English Liberal party, had given, in the opinion of the civilized world, a fatal blow to the ancient policy of subjection, which from that time ceased to be defensible. The exploitation of the colonies by the mother country, against which all liberal economists had taken their stand, could last no longer. But, on the other hand, the prevailing tendency had not been favourable to the policy of assimilation, after the fall of the Second Republic. The imperial government was thus led to incline towards a certain autonomy, to consider the colonies as countries distinct from France, which it was proper to subject to a special commercial régime. The old selfish preoccupations disappeared, and there appeared a tendency to allow those actually living in the colonies to determine their own commercial policy.

4. The adoption of a new colonial policy met in this period a minimum of obstacles. The imperial government was not forced to take into account, to the same extent as those that had preceded it, the demands of interested parties. Its claim was to make and to direct public opinion, not to follow it. Since parliamentary government no longer existed, the ministry did not have to fear the opposition of the legislative body. The Emperor had signed the treaty of commerce with England without consulting the legislative body, and he knew that it would accept the other parts, incomparably less important, of his economic programme.

Moreover, public opinion did not then ascribe to colonial commerce the same importance as formerly, nor the same importance that has since been ascribed to it. The colonies were no longer needed to provide colonial commodities: sugar and coffee could easily be found elsewhere. Nor was there any longer need of the colonies as markets for the products of the industry of the nation. France seemed to hold, with England, the leadership of civilized nations, and she did not fear the competition of other countries, where industry was less developed. The commercial treaties which she had signed promised her sufficient markets on the European continent. Besides, it was still a very limited market that these colonies could offer to the products of French industry. Never had the proportion of colonial commerce, in comparison with the total of the external commerce of France, been so small as at this period. The imperial government could then do what it wished without raising serious resistance.

*The Tariff Régime of the Antilles and of Reunion.*—The constitution of 1852 had, as a corollary, the *senatus-consultum* of May 3, 1854, which divided the colonies into two groups: (1) the Antilles and Reunion, endowed with a Council-General to which were accorded a certain number of guarantees, and whose commercial régime, particularly, could be modified only by a law; (2) the mass of the other colonies, where there existed no Council-General, subject to regulation by decrees in commercial matters as in all others. Guiana, considered up to this time as a great colony, found itself in a way degraded and cast among the secondary establishments, doubtless because it had been decided to make of it a penal colony.

From the commercial point of view, the classification established in 1854 was very satisfactory. The Antilles and Reunion, alone, had a really important trade with France, worthy of the attention of the legislative power. For each of these three colonies it amounted yearly to some tens of

millions. Guiana, like the other establishments, had only a very small external trade, whose total hardly reached some millions. A decree might naturally be regarded as adequate to determine its commercial regulations.

The law necessary to modify the tariff régime of the Antilles and Reunion was enacted on July 3, 1861. It established the three following principles, which are the very negation of the triple obligation formerly imposed upon these colonies :

1. All foreign merchandise which could be imported into France could likewise be imported into the Antilles and Reunion (art. 1). On entering these islands they had to pay the same tariff duties as in France, with the exception that *ad valorem* duties might be converted into specific duties (art. 2). Importation might be effected by foreign ships, by paying a navigation surtax (art. 3). Merchandise formerly admitted at a very low duty was not to be subjected to heavier burdens (art. 4). The tariff duties applicable to foreign products were fixed at the same rate as those paid by similar French products on their import into the colony (art. 5).

2. The use of the foreign flag was authorized for the transportation of colonial products to France, and of French products to the colonies, upon payment of a navigation surtax of 20 francs per ton of freight<sup>3</sup> for the Antilles, and 30 francs for Reunion (art. 6).

3. Colonial products might be exported under any flag, having for destination foreign countries, or a French colony, not included in the limits of the coast-trade (art. 7). They were given free entry into France, with the exception of sugar, molasses, preserves and conserved fruits, coffee, and cocoa (art. 8).

The tariff law of May 16, 1863, confirmed these principles and was characterized by the same liberality. It diminished perceptibly the duties on colonial commodities, and in particular on coffees. It reduced to two or three francs,



according to whether they came from colonies situated beyond or on this side of the Cape, the navigation surtax on sugars imported by foreign ships. It laid down, in a general way, the principle that with the exception of sugar, coffee, and cocoa 'the products of the French possessions beyond seas, other than Gorée, Senegal, and Algeria, imported by French ships, should be admitted free from all duty'. Finally, in article 30,<sup>4</sup> still in force to-day, it introduced this interesting rule: 'Foreign products admitted temporarily into France to be manufactured, there or to be subjected to processes requiring the expenditure of labour, may be exported to the colonies of the Antilles and Reunion and shall be there admitted free from all customs duties.' This is a remarkably liberal measure, since it treats the colonies as foreign territory when by so doing it becomes possible to afford them new facilities for trade.

The law of May 7, 1864, again overhauled the legislation on the subject of sugars. It fixed the tariff on all kinds of crude sugars at 42 or 44 francs, according to the class, and increased from three to five francs the abatement for distance. With the exception of the navigation surtax, foreign sugar was treated exactly like French sugar.

In 1866, two legislative measures occurred of capital importance, which accentuated the liberality of the law of 1861. The first was the law of May 19, 1866, on the freedom of the merchant marine, which decreed the suppression of the navigation surtaxes within three years' time (art. 5). This law was declared applicable to the Antilles and to Reunion by its article 7.

The second was the senatus-consultum of July 4, 1866, which considerably increased the powers of the Councils-General, introduced into the Antilles and Reunion by the senatus-consultum of May 3, 1854. The law of 1861 had, in a word, substituted in the place of exclusion, the régime of tariff assimilation. The senatus-consultum of 1866 proclaimed tariff autonomy in its article 2.

The Council-General shall vote the rate of wharfage fees on objects of any origin, as well as the rate of duty on foreign products, natural or manufactured, imported into the colony. The rates of duty voted by the Council-General are put in force by decrees of the Emperor, the Council of State approving.

In order to comprehend the boldness and the consequences of this innovation, it is necessary to keep in mind the fundamental distinction between the customs duties and the wharfage fees. Both are collected by the same agents—those of the colonial customs-houses, but this external resemblance conceals three profound differences :

1. The customs duty is collected for the profit of the local budget of the colony ; the wharfage fee is collected for the profit of the communes, the deduction of a part (one-tenth) being made for the colonial treasury, in compensation for the expenses of collection. The entire territory of the Antilles and of Reunion is divided into communes. The revenue from the wharfage is divided among these communes on the basis of their population.

2. The customs duty, according to article 2 of the *senatus-consultum*, can be established only upon foreign products and not upon French products. The wharfage fees, on the contrary, reach equally objects of all kinds, whether from foreign countries or from the mother country.

3. The powers of the Councils-General are more extensive in regard to the wharfage fees than in regard to the customs. According to article 2 of the *senatus-consultum*, the Councils-General were given final authority in the matter of wharfage fees, which they fixed without the intervention of the home government. It is true, the Councils-General voted the customs duties, but such duties could be put in force only by a decree in the Council of State, and failure of the Council of State to act was equivalent to a rejection of the duties voted. The powers of the Council-General were none the less considerable, for it alone had the initiative, and no customs duties could be levied in the colony unless previously voted by it.

The Councils-General of the colonies made a singularly selfish use of their new powers. They abolished all their customs duties and, at the same time, reorganized and increased the wharfage fees, thus placing the products of France and foreign products upon a footing of absolute equality. The Council-General of Martinique led the way : by a resolution of November 30, 1866, it completely abolished the customs duties in this island, and a decree of November 6, 1867, placed this measure in force, in spite of the protests of the minister of commerce. On December 11, 1866, the Council-General of Guadeloupe abolished all customs duties, with the exception of those levied upon colonial commodities ; this resolution was approved by a decree of April 25, 1868. The Council-General of Reunion showed itself, at first, less radical : on November 11, 1867, it adopted a customs tariff which was approved by a decree of April 4, 1868. But very soon it allowed itself to follow the precedent given it by the Councils-General of the Antilles. On July 5, 1871, it abolished all the customs duties with the exception of those which bore upon tobacco ; its action was approved by a decree of July 4, 1873.

This attitude of the Councils-General inevitably provoked protests on the part of the home producers ; as early as 1868 these protests were voiced by Pouyer-Quertier. In 1872, manufacturers from Rouen and from Paris complained of the decline of French exports to the colonies and demanded tariff assimilation. But these demands met with no success. An investigation inaugurated by the minister of the marine in 1875 was made to defend the policy of tariff autonomy, which the colonies demanded should be maintained.<sup>5</sup>

*Tariff Régime of the Other Colonies.*—The liberal ideas which had inspired the law of 1861 were bound to affect the tariff régime of the other colonies. On December 24, 1864, two decrees were issued, the first concerning Senegal, the second, Guiana.

The first of these decrees declared that all kinds of mer-

chandise, of whatever origin, might be imported under any flag, to Saint-Louis of Senegal, on payment of a tax of four per cent *ad valorem*, and to Goree free from all customs and navigation duties (art. 1). Access to the river above Saint-Louis remained, however, prohibited to foreign sailing-craft (art. 2). Products loaded at Saint-Louis and at Goree might be sent to any destination and by any flag (art. 4), with the reservation of a navigation surtax of 20 francs per ton of freight for colonial products imported into France by foreign ships (art. 5). This surtax was, moreover, very soon abolished by the law of 1866.

The second decree opened the port of Cayenne to both French and foreign sailing-craft (art. 1), and established upon importation a tax of three per cent on all kinds of merchandise, from any place, with a navigation surtax of 10 francs or of 20 francs per ton of freight according to the circumstances (art. 2). This decree further authorized the exportation of the products of Guiana under any flag and for any destination, on payment of a navigation surtax, the amount of which was fixed by articles 4 and 5. The surtax was, moreover, abolished some years later in Guiana by a decree of May 19, 1869.

The decrees of December 24, 1864, were repeated and confirmed, at least in their essential parts, by articles 3 and 4 of the customs law of July 11, 1868. This law established for Senegal and for Guiana an important guarantee, since the matter became thenceforth beyond the régime of decrees. The law of 1868 could be modified only by another law.

In matters pertaining to the customs much turns upon the question where authority to legislate for the colonies resides. In this connexion we may call attention to the decree of January 30, 1867, 'relative to the powers of governors and commandants of the colonies, other than Martinique, Guadeloupe and Reunion, in regard to taxes and public contributions.' This important decree constituted a text of essential principles. It confirmed the right of governors to fix, by order taken in the council of administration, the assessment,



the rates of taxation, the rules for collection and the manner of prosecuting for taxes and public contributions unpaid. But, 'customs duties are excepted from this privilege and are reserved for regulation by decree.' The interpretation of this text has given room for abundant litigation. In very many cases the question has been put as to whether a certain local tax, which had been the subject of a resolution taken by the governor, was not, in reality, to be considered a customs duty.<sup>6</sup> A number of resolutions have been annulled for this reason. This decree is of great importance. Since it came into force, on January 30, 1867, all legislation affecting the colonial customs centres in the decrees issued by the central power.

In 1868 two new decrees were issued : one, of February 19, concerning the Rivers of the South, the other, of September 12, concerning the establishments of the Côte d'Or and of Gabon. These decrees declared that all kinds of merchandise and of any origin might be imported under any flag into these establishments, and imposed a tax of four per cent upon products exported. It is a remarkable fact, that these decrees declared that this tax, which was levied for purely fiscal reasons, might be reduced by order of the governor. Thus, this high functionary was authorized to reduce the impost, but not to increase it. This exception made to the rule established by the decree of January 30, 1867, is altogether characteristic of the liberality which prevailed in this period.

The decrees of 1864 and of 1868 were limited in their operation to certain colonies. A general measure was adopted by the decree of July 9, 1868, 'relative to the abrogation of the ancient colonial system (*pacte colonial*), article 1 of which declared :

Products of all kinds and of any origin may be imported by any flag into the different French establishments beyond seas, where the Navigation Act of September 21, 1793, is still in force. Products loaded in these same establishments may be exported for any destination and by any flag.

So disappeared the last vestige of the old colonial system, after two centuries of life.

No change was made in this liberal policy by the law of May 7, 1881, which gave to France a new general customs tariff. At the time of the discussion of this law, an amendment introducing the principle of tariff assimilation had been proposed in the Chamber of Deputies, June 5, 1880, by M. Villiers. But this was simply a protectionist move, and its author cherished no illusions as to its chances of success. After a few words from the reporter, M. de Mahy, the amendment was rejected. Another amendment, proposed by M. Bouchet, was, on the contrary, adopted without difficulty and became the second paragraph in article 3, which reads as follows: 'For the colonies which are not subject to the *senatus-consultum* of May 3, 1854, as amended by that of July 4, 1866, the customs duties shall be established by decree of the central government, that is, by the Council of State.' This represented merely a legislative confirmation of the rule laid down by the decree of January 30, 1867, with the additional guaranty of direct intervention by the Council of State.

The first paragraph of article 3 covers the treatment to be accorded to colonial products on their importation into France. It reads as follows: 'The rights and immunities applicable to the products of the French colonies and possessions imported into France are established in conformity to list E annexed to the present law.' According to this list E, freedom was the rule, but sugar and colonial staples paid the duties inscribed in the general tariff. This amounted to a reaffirmation of the rule established by the law of October 6, 1863. On the whole, at the end of this period, the situation was as follows:

Colonial products were given no preference in treatment in the French market. As compensation to the colonies, obstacles to foreign navigation in the colonies, and navigation surtaxes were removed. A single colony retained special

customs duties for foreign merchandise—*Saint-Pierre and Miquelon*; but these duties were very light. The decree of August 30, 1877, fixed them at one per cent or two per cent, according to the origin and the nationality of the importing ship. A small difference was made likewise for alcoholic beverages and for tobacco, according to whether their origin was French or foreign, by a decree of September 25, 1873. But otherwise, there was no difference in treatment of French and foreign merchandise. In *Guiana*, merchandise of any origin paid the tax of three per cent established in 1864. In *Saint-Louis of Senegal*, the decree of June 20, 1872, established a tax of fifteen per cent on arms and ammunition, of ten per cent on tobacco, and of five per cent on other merchandise, without distinction as to their country of origin. In *Goree*, which was still considered as an entrepôt for European merchandise, all kinds of colonial products paid five per cent. In the *River-countries of the South*, in the *Côte d'Or* and in *Gabon*, as well as in *Mayotte* and at *Nossi-Bé*, no import duty existed. The only duty remaining on the Coast of Africa was the export tax of four per cent introduced in 1868. In India, merchandise of any source, with the exception of tobacco, entered free. By exception and for reasons grounded in the internal fiscal régime of the colony, only the revenue collectors could import opium and spirits, and the importation of salt was confined to a monopoly. In *Cochin-China*, no general import duty existed; only alcohols (order of August 30, 1874) and arms and ammunition (order of December 26, 1882) paid import duties; and these, further, had no differential character. Export duties had been established on rice and paddies, and on oxen and buffaloes. In *New Caledonia* and in the *establishments of Oceania*, no customs duty was levied; there was simply a tax for wharfage.

*Algeria*.—The same liberal tendencies inspired the policy of the Second Empire in regard to Algeria. In the first place, this country benefited from the reforms in the tariff régime of the imperial state, such as the abolition of export duties

and the reduction in the import duties resulting from new laws and from the introduction of the conventional tariff established by the treaties of commerce. Thus, a decree of September 2, 1863, decided that Algerian products which did not enter France duty free, should, in the future, have the benefit of the conventional tariff. In this way, Algeria profited doubly, first by a reduction in the duties on the products which she exported, and second by a reduction on the import duties on the foreign products which she bought.

Further gains to the colony resulted from the law of May 19, 1866, on the freedom of navigation. Articles 8 to 11 of this law had special reference to Algeria. This law determined that navigation between France and Algeria could be carried on under any flag, abolished the navigation surtax introduced in Algeria by the ordinance of 1843, and also did away with the prohibition of foreign refined sugar.

Finally, the law of July 17, 1867, established on new foundations the tariff régime of Algeria.

Title I, entitled *Intercourse with France* (arts. 1 to 3), overthrew the ancient principle and established the rule of a reciprocal and absolute freedom—a freedom by which French products, Algerian products, and foreign products that had been nationalized through the payment of duties were placed on equal terms, with the exception that nationalized foreign goods, if transhipped from Algeria to France, had to pay duties making up the difference between the two tariffs, when the Algerian tariff was lower than the French. This principle has been maintained ever since. A single exception exists for the sugars of France or of the colonies, which, being subjected in France to a consumption impost, must pay the impost to enter Algeria.

Title II, entitled *Intercourse with Foreign Countries* (arts. 4 and 5), established that, as a rule, foreign products should enter free into Algeria. Duties were the exception. These duties were, some purely fiscal, the others more or less protective. Colonial commodities paid a purely fiscal duty,



indicated in list A. The products enumerated in list B (brass, iron, steel, chemicals, glass, paper, machines and tools) paid one-third of the duty applicable in France. Those (not very many) enumerated in list C (codfish, textiles, sailing-craft and small boats, beverages) paid the whole duty collected in France.

The law of 1867 also covered the subject of importation by land. The ordinance of December 16, 1843, article 16, had established the rule of prohibition of all importation by land, but authorized the governor-general to make an exception in favour of the products of neighbouring countries. This prohibition was inspired by the fear of an easy deception: the products of foreign European countries might enter Algeria by way of Tunis or Morocco. But this prohibition remained purely theoretical during ten years. Not until August 11, 1853, was a decree issued instituting a customs service on the frontiers of Tunis and Morocco. This decree abrogated the general prohibition of importation of products originating in Tunis and Morocco, and replaced it by moderate duties; it maintained the prohibition in regard to products of other origin coming through Tunis or Morocco.<sup>7</sup> The law of July 11, 1867 (art. 6 and list D), considerably modified this policy. It established two rules, very simple, at least in theory: products, natural or manufactured, originating in the protectorate of Tunis, the Empire of Morocco, or the south of Algeria, were exempt from duty; products from any other place were subjected to the same régime as for importation by sea.

## CHAPTER V

### THE THIRD REPUBLIC : TARIFF ASSIMILATION

#### *The Tendency towards Tariff Assimilation and its Causes.*—

The profound change which took place under the Third Republic in the colonial tariff policy of France was not the immediate consequence of the change in the political constitution. The liberal policy inaugurated by the Second Empire survived for a dozen years, and it was not until 1883 that the new tendency towards tariff assimilation began to manifest itself vigorously. Of this tendency the law of January 11, 1892, was to establish the definitive triumph. The causes which brought about this radical change in the colonial policy of France were manifold. Although very diverse, they harmonized marvellously.

1. The policy of assimilation was in accord with the traditional tendencies of the republican party.<sup>1</sup> It was, in a sense, an article of its programme. The revolutionary assemblies had formerly adopted a policy of extreme assimilation. The Second Republic had inclined in the same direction. Accordingly it was inevitable that the policy of assimilation should return to favour after the fall of the Empire and the accession to power of the republican party. This new tendency manifested itself in every direction : in the re-establishment of colonial representation ; in the policy of inter-dependence introduced into Algeria ; and in the whole series of decrees extending to the colonies the political liberties introduced in France itself. Two extra-parliamentary commissions instituted, one by Admiral Pothiau in 1878, the other by M. Duclerc in 1882, to inquire into the changes that should be made in the colonial régime, pronounced decidedly in favour of the policy of assimilation. The ‘ creation of real French departments ’, according to the

formula of M. Dislère,<sup>2</sup> seemed at that time the ideal to be realized. Logically, this policy of assimilation was bound to exert an influence on commercial affairs.

But this theoretical reason alone would doubtless have been inadequate to effect a change in commercial policy. The desirability of complete political assimilation served as an argument before the Chambers. But we must seek elsewhere for the profound causes of the transformation which took place.

2. The essential cause is to be found in the protectionist reaction which vigorously manifested itself in France, beginning with the year 1883. The defeat of France in 1870-1 had not checked her economic progress. The Franco-German War had been followed, on the contrary, by a period of remarkable prosperity, as shown by the increased yield of the imposts, by the development of the traffic on the railroads, and by the progress of foreign commerce. This period of prosperity extended until 1882. But in that year there occurred a crisis, long remembered by the business world. The surplus revenues from the imposts disappeared and railway traffic dwindled. There was no longer the same confidence in the future; the business world became uneasy and cautious. A period of low prices had set in. The lowest level was reached in 1886, but the rise was very slow. During more than ten years French producers in general, and especially the agriculturists, who suffered very severely under the crisis, complained bitterly. The representatives of the rural interests began to demand duties on foreign grain and animals. The agrarian vote won for the protectionist party a first and brilliant victory in the laws of 1885 and 1887. Foreign example, moreover, provided the representatives of the protectionist party with a powerful argument. The unpopularity of the liberal policy, which had been held in honour during the third quarter of the nineteenth century, affected all the subsidiary manifestations of this policy. The beaten free-trade party could not preserve commercial liberty

in the colonies when it was incapable of maintaining it in France. The same law of January 11, 1892, which crowned the triumph of protectionism in France also established the policy of tariff assimilation.

3. A third reason for the tendency toward tariff assimilation is to be found in the sacrifices which France imposed upon herself at the time of Jules Ferry in order to develop her colonial empire, and in the state of mind which had resulted from these sacrifices. The policy of colonial expansion was then very much discussed and bitterly fought. The sacrifices in men and in money appeared heavy, and public opinion did not appreciate the utility of these colonies for France. 'At any rate,' so it was said, 'this domain, for the acquisition of which we make so many sacrifices, ought to be made to yield some return. The markets for French products in foreign countries are in danger of being closed in consequence of the progress of protection. Might not the colonial market offer us at least a partial compensation?' Once public attention came to be fixed upon the colonies, it appeared that they did not buy enough from France. Here was a market in which French products were not protected. The adversaries of colonial expansion, who asserted that the colonies were not sufficiently profitable to the imperial state, and the supporters of the policy of expansion, who laid emphasis upon the prospective colonial markets, agreed in insisting that the colonies should be made as profitable as possible to France through the strict reservation of their market to the French producers.

4. The colonies, menaced in this way, were not in a good position to defend themselves. On the one hand, the selfish policy pursued by the old colonies under tariff autonomy had created an unfavourable impression on public opinion in France. On the other hand, the colonial party was not yet powerful enough to make itself heard. It was neither organized nor numerous. Prudence suggested to it not to attempt to resist a current by which it would inevitably have



been swept away. M. Mélines, in his general report upon the bill for a new general customs-tariff, wrote: 'Our colonies must offer better markets to French products; otherwise the colonial policy will be radically condemned.' M. Étienne, Under-secretary of State for the colonies, said in the Senate, December 17, 1891: 'We do indeed believe, and we assert it emphatically that, since France must incur the obligations involved in a colonial domain, it is just and proper that this domain be reserved as a market for French products. If we were not to make such reservation, if we had colonies only to export to them each year millions of capital and soldiers, our colonial policy would be of questionable expediency.' Thus the statesman who has since been called the head of the colonial party in France, believed it prudent to make use of the same language as the head of the protectionist party.

5. Finally, the growing importance of our colonial domain led us to attach more value to the conquest of this market. Before 1883 the colonial domain was neither populous nor extensive enough to offer an important market to French products. After 1883 the conquest of Tonkin, the penetration into the African continent, and the conquest of Madagascar increased greatly the extent of this domain. A result of this colonial expansion was the placing under the control of France of several tens of millions of human beings. Speaking commercially, these were customers to whom French industry might seek to furnish with clothing and tools. For the textile and metallurgical industries these colonies were new markets in which we could not afford to allow ourselves to be distanced by our English or German rivals.

*The Tariff Assimilation of Algeria.*—The régime of assimilation was first of all applied to Algeria. One of the earliest manifestations of the awakening of protectionism occurred in connexion with the Algerian trade. French producers—especially the metallurgical industries—had complained that they were being supplanted in the Algerian market by foreign producers. In order to appease them, the finance

law of December 29, 1884, laid down the rule (art. 10): 'Foreign products imported into Algeria are subject to the same duties as if they were imported into France.' Exception was made for the colonial staples that continued to pay the duties inscribed in Table A of the law of 1867, and for the products coming from Tunis, Morocco, and the south of Algeria, which remained subject to the regulations established by Table D of the same law (art. 10, pars. 2 and 3). As a consequence of tariff assimilation, paragraph 5 added that the provision of article 30 of the law of May 16, 1863, relative to admission in bond, ceased to be applicable to Algeria. This reform was accepted without difficulty: tariff assimilation appeared to be an altogether natural solution, in view of the proximity of France and Algeria and the accepted habit of looking upon Algeria simply as three French departments.

Article 7 of the general tariff law of January 11, 1892, limited itself to re-enacting the provisions of article 10 of the law of 1884. But, in fact, by the increase of protection which it granted to French products on the Algerian market and to Algerian products on the French market, the tariff of 1892 drew much closer the business ties between Algeria and France. Since then, the duties levied upon the products enumerated in list A of the law of 1867 have again been raised (finance law of December 28, 1895, arts. 11 and 12). The differentials in rates resulting from the maintenance of this list have been reduced or abolished. The present situation is as follows:

Products imported into Algeria are subject to the same duties as if they were imported into France. This general rule is applicable to the products coming from foreign countries, to those coming from French colonies, and to those coming from Tunis or from Morocco by sea. The warehousing surtaxes, which exist in France, are employed in like manner in Algeria. The countries that enjoy the benefits of the French minimum tariff receive the same benefits in

Algeria. A single restriction is made regarding merchandise coming from Switzerland: such merchandise is admitted under the minimum tariff in Algeria only on condition of having made the transit by way of France. In short, we are in the presence of a simple return to imperial tariff legislation.

There are, nevertheless, some exceptions. The first, which concerns sugars, is rather apparent than real. There is a difference of 15 francs per 100 kilogrammes between the duty collected on entering Algeria and the duty collected on entering France. But, as sugar is subject in Algeria to a wharfage duty of 15 francs which does not exist in France, it is clear that the burden is in reality exactly the same.<sup>3</sup>

The duties on coffees are at present fixed by article 3 of the law of February 24, 1900. The general tariff is the same as in France; but the minimum tariff, the only one having a practical importance, is 31 francs 20 centimes per 100 kilogrammes (instead of 136 francs).

Spices (pepper, allspice, cinnamon bark, nutmeg, vanilla) are subject to a duty equal to two-thirds of that which is fixed in the national tariff (law of December 28, 1895, art. 11).

Other exceptions are the result of the fact that certain fiscal monopolies or internal revenue taxes which exist in France are not found in Algeria. The tobacco and matches monopolies do not operate south of the Mediterranean. Further, there is nothing in Algeria to correspond with the impost on salt, nor the consumption duty on beer. Accordingly it has been necessary to establish special duties on tobacco and matches imported into Algeria and to reduce the tariff duties on beer and on salt meats. These provisions explain themselves. As for the products exported from Algeria, they continue to go out free as do those exported from France. By exception, a duty, purely fiscal, of fifty centimes per ton, is levied upon phosphates of lime on their exportation from Algeria (Decree of March 25, 1898, art. 21).

After Algeria had been assimilated to France in regard to the tariff rates the colony was assimilated to France in regard to navigation. The laws of April 2, 1889, and of December 28, 1895, are logically complementary to the work begun in 1884.

The law of April 2, 1889, whose provisions, on account of existing treaties, could not wholly be put into force before October 4, 1893, established the rule that 'navigation between France and Algeria can be carried on only under the French flag'. This return to the system prevailing prior to the law of 1866 is remarkable: the navigation from an Algerian port to a French port is, like the coast trade between two French European ports, reserved to the national flag. This assimilation has been not without serious inconveniences. Since almost all the external commerce of Algeria is carried on with France, if, for any reason, French vessels are temporarily prevented from handling the traffic, the whole business finds itself abruptly interrupted. This occurred, as is well known, in 1904, at the time of the double strike of the marines and of the dockers of Marseilles. Algeria was in a state of blockade during several weeks. It was impossible to ship the sheep, fruits, and produce which piled up on the wharves of Algeria. It was an intolerable situation, the recurrence of which it was necessary to prevent. Hence the law of July 22, 1909, which permits the government, in case of exceptional conditions causing a temporary interruption of maritime relations under the French flag, to suspend, by decree, the application of the law of 1889.

The Finance Law of December 28, 1895, deals with wharfage and registration duties. Before 1895, all vessels, whatever their flag, whether French or foreign, touching at the ports of Algeria, were subject to the payment of a wharfage duty. A wharfage duty was likewise collected in France on all vessels, without distinction as to flag; but French vessels confining themselves simply to the coast trade between French ports of Europe escaped it. The law of



1895 (art. 14) exempted from wharfage, in France as well as in Algeria, French vessels going from one shore to the other of the Mediterranean, thus assimilating navigation between France and Algeria with the coast trade. On the other hand, the law prescribed that in Algeria, as in France, wharfage duties should be based, not on the quantity of merchandise unloaded, but on the tonnage of the vessels. This last provision raised very emphatic remonstrances in Algeria.<sup>4</sup> Was it not of a nature to keep away from the ports of Algeria foreign ships that had been in the habit of putting in there? To remove this danger, the law of December 23, 1897, decreed that wharfage duties should be collected in Algeria only on the merchandise, passengers, animals, or vehicles, disembarked.

The same ideal of assimilation inspired article 13 of the law of December 28, 1895, relative to the registration duty (of ten centimes on all objects entering or leaving, introduced into France by the law of January 22, 1872). Formerly the registration duty was not collected in Algeria. It existed only in France, but it was applicable to the merchandise imported from Algeria into France or sent from France into Algeria. The law of 1895 rendered the registration duty applicable to Algeria; but at the same time, it decreed that this duty should not be collected on objects sent from France to Algeria or from Algeria to France. This registration duty, formerly fixed at ten centimes, was raised to fifteen centimes by article 28 of the Finance law of April 8, 1910.

In short, both from the standpoint of navigation and from that of the tariff, Algerian territory is treated to-day as national territory. Were it not for the fact that each of the two countries keeps for herself the revenue from the customs and navigation duties collected on her frontier, a true tariff-union would exist between Algeria and France.

*Introduction of Customs Duties on Foreign Merchandise in Various Colonies*

In the year 1884 and in the following years, the protectionist reaction manifested itself by establishing duties on foreign products in various colonies where these duties had been abolished or had never existed.

The market of the Antilles and of Reunion first attracted attention. The abolition of customs duties in these three colonies had displeased the French producers. They complained that in these islands foreign products took the place of French products. In this connexion, the experience of fifteen years appeared conclusive. The comparison of the years 1865 and 1880 seemed altogether decisive :

IMPORTS (IN THOUSANDS OF FRANCS)

	<i>French Merchandise.</i>		<i>Foreign Merchandise.</i>	
	1865.	1880.	1865.	1880.
Martinique .	17,334	14,037	9,963	17,327
Guadeloupe .	18,890	11,631	3,819	13,624
Reunion .	14,431	9,198	12,010	25,707
Total .	50,655	34,866	25,792	56,658

Thus, the quantity of merchandise from France imported into the Antilles and into Reunion was diminishing. Meanwhile, the total of imports was increasing. All the profit resulting from the increase in imports was going to foreign trade. In order to still the complaints of the French merchants, the government brought pressure to bear upon the Councils-General of the colonies with a view to forcing them to re-establish the customs duties.<sup>5</sup> The government employed both threats and promises. It threatened them with a vote on the proposition of Peulevey, which aimed to apply to the colonies the French tariff system, and it also threatened a stoppage of the public works undertaken in the colonies under subsidies from the mother country. It promised them favourable treatment for colonial sugars. Arguments so powerful were irresistible. Very wisely, the

three colonies re-established, one after another, their customs duties. In Guadeloupe, a decree of November 16, 1884, established duties varying between five per cent and eight per cent *ad valorem* on thirteen classes of foreign products (prepared skins, textile fabrics, clothing, clocks and watches and jewellery, haberdashery, articles of fashion, furniture, &c.).

In Martinique, the decree of April 25, 1885, established on several foreign products (textile fabrics, paper, prepared skins, jewellery, furniture, and toys) duties, some specific, others *ad valorem*, on the whole a little higher than in Guadeloupe. In Reunion, the decree of January 19, 1885, introduced, on a long series of manufactured objects, customs duties perceptibly approaching the French rates. The reward for colonial compliance was not long in coming: the law of July 29, 1886, granted a manufacturing abatement of twelve per cent to sugar from the French colonies imported directly (art. 5) and laid an additional tax of seven francs on unrefined sugars imported from European countries or from European warehouses (art. 10).

At the same time, the government, enlightened by experience, was careful not to extend to the newly created Councils-General the exaggerated powers which those of the Antilles and of Reunion held from the *senatus-consultum* of 1866. The decree of December 23, 1878, creating a Council-General in Guiana, did indeed reproduce, in article 36, the provision of article 2 of the *senatus-consultum*. But the later acts were much more cautious. The decree of January 25, 1879, which instituted a Council-General in the French establishments of India, empowered this body to vote taxes and contributions, with the exception of the customs tariffs (art. 32). The decree of February 4, 1879, creating a Council-General in Senegal, empowered the council to vote taxes, with the exception of the customs and the wharfage duties (art. 34). The Council-General might deliberate upon the wharfage duties which must afterwards be approved by decree (arts. 35 and 36). It might only offer advice upon

tariff duties (art. 37). The decrees which created a Council-General in Saint-Pierre and Miquelon (April 2, 1885), in New Caledonia (April 2, 1885), and in the French establishment of Oceania (December 28, 1885), contain identical provisions. In these colonies, the Council-General might vote the wharfage duties on objects of all kinds and of whatever origin; it might offer its advice upon the rates, and the manner of assessment and collection of the customs duties.<sup>6</sup> In the other colonies, not possessing Councils-General the government naturally reserved the right to establish customs duties by decree, in conformity to the decree of January 30, 1867, and to the law of May 7, 1881.

The central power profited by these provisions to establish in some colonies duties designed to protect French products from the competition of foreign products. In Senegal, a decree of October 17, 1880, established an import duty of four centimes per metre, on cloth (reduced to two and a half centimes by decree of June 14, 1881), while adding a supplementary duty of four centimes for the cloth manufactured elsewhere than in France or in the French colonies. A decree of December 2, 1890, next raised to six centimes per metre the duty on foreign cloth, and established a duty of seven per cent on other foreign products.

In *Gabon*, customs duties on merchandise of whatever origin were established by a decree of August 27, 1884, article 2 of which determined that these duties should be reduced by sixty per cent for French merchandise. These duties were afterwards increased by decree of November 18, 1890. In *Nossi-Bé*, a decree of June 21, 1887, established on foreign merchandise duties of two per cent and five per cent. In *Mayotte*, the decree of February 6, 1888, established customs duties for foreign products, amounting to fifteen per cent on textile fabrics. In *Saint-Pierre and Miquelon*, a decree of July 27, 1889, restored the customs duties previously collected. In Guiana, a decree of January 7, 1890, added to the previous duty of three per cent



on products of whatever origin a duty of four per cent on foreign merchandise. Some imports (oxen, asses, mules, fish, salt, wood, shale oil, &c.) were exempt. On the other hand, foreign rum and tafias paid a supplementary tax of forty centimes per litre. No customs duty was established in India, in New Caledonia, or in the establishments of Oceania.

These measures were, on the whole, moderate. They concerned, moreover, colonies whose commerce had but a limited importance.

### *The Tariff Assimilation of Indo-China*<sup>7</sup>

Much more important was the Indo-Chinese market, and the sacrifices necessitated by the Tonkin expedition focussed the attention of the authorities upon this colony. In 1883 the question of introducing customs duties in Cochin-China began to be agitated. When the colonial authorities learned through official correspondence that the central power was working out a tariff system for them, they decided that it was good politics to take the initiative. A commission composed of members of the Colonial Council, of the Chamber of Commerce, and of the Municipal Council of Saigon assembled at the end of October 1883 to discuss the tariff question. Advocates and opponents of the introduction of customs duties presented their arguments. At the close of the discussion the commission adopted a resolution accepting the principle of a customs tariff. In 1884 the administration submitted to the Colonial Council a project of customs regulation, which the council accepted, in its main features. But progress at Paris toward definite legislation was exceedingly slow. During the discussion of the Finance law of 1887, MM. Waddington, Thomson, and Bautresme offered an amendment extending to Indo-China the general tariff of the mother country. This amendment became article 47 of the law of February 26, 1887, which reads as follows: ' Foreign products imported into Cochin-China, Cambodia, Annam,

and Tonkin shall be subject, after June 1, 1887, to the duties inscribed in the general tariff of the mother country. It shall be determined by administrative ordinance what products shall, by exception to the present provision, be the object of special rates of duties, and in what localities bonded warehouses shall be established.' The local administration hastened to make provisional regulations in view of the application of the new rule (Order of the Resident-in-Chief of Annam, Tonkin, of May 27, 1887;<sup>8</sup> Order of the Governor of Cochin-China, June 22, 1887,<sup>9</sup> without waiting for the official publication of the promised decree, which occurred on September 8, 1887. The application of the French national customs tariff to Indo-China produced disastrous effects and aroused energetic protests. Imports, which had amounted in Cochin-China to almost sixty millions of francs in 1887, fell to forty-two millions in the following year. The number of failures in Saigon rose from three to fifteen during the first seven months of 1888. Numerous commercial houses had to close their doors. The increased cost of living and the impoverishment of the colony compromised the fiscal situation which had been prosperous up to that time. The local budget was threatened with a deficit.

With the aim of quieting the complaints of the colony, article 10 of the Finance Law of March 30, 1888, sought to give compensation to Indo-China by granting to the products of the colony free entry into France and Algeria. The decree of September 8, 1887, was replaced by that of May 9, 1889, which reduced the duties on products not competing with those of France. But these measures were inadequate to remedy the evil. The national colonial congress of 1889 voiced most emphatically the protests of the colony.<sup>10</sup>

It was, unfortunately, impossible to check the protectionist current which had now become very strong. The policy of tariff assimilation to which Indo-China had been, by exception, subjected, was made generally applicable by the law of January 11, 1892.

*The Law of January 11, 1892, and the Tariff Assimilation of the Colonies.*<sup>11</sup>—The principle of tariff assimilation won an easy victory in the Parliament at the time of the discussion of the new general customs-tariff. The statistics of trade provided the opponents of the policy inaugurated under the Second Empire with a specious argument. In 1890, the merchandise imported into our colonies reached a total of 215,792,000 francs, distributed as follows: Imports from France, 70,903,000 francs; imports from French colonies, 3,293,000 francs; imports from foreign countries, 136,594,000 francs. Thus the inhabitants of the colonies were buying about fifty per cent more from foreign countries than from the mother country. Colonial exports, on the other hand, amounted to 191,986,000 francs, of which 100,845,000 were shipped to France, 3,538,000 to the French colonies and 87,003,000 to foreign countries. Accordingly, France was the best customer of the colonists, although the colonists were not buying French products. What ingratitude! This argument, drawn from the balance of trade, seemed decisive. 'It was not admitted at that time,' says M. Artaud,<sup>12</sup>

that there is as much profit in buying what you want as in selling what you have to dispose of, and that colonial trade, whether it consisted of imports or of exports, was none the less advantageous to both contracting parties. According to the opinion of the time, exports were sacrosanct and imports were anathema, and it was not understood that colonial sugar, even not balanced by an export of textile fabrics, furnished freight for French shipping, as well as material for the industries of the ports, and that at all events there would have been no profit in having the sugar go to foreign countries merely because the colonies found it profitable to make purchases from those countries.

Accordingly the reform of the customs, although so far-reaching, met with only a very feeble resistance. In the Chamber of Deputies, on July 17, 1891, M. Félix Faure made a motion to adjourn upon article 3. But as the most distinguished representatives of the old colonies, M. de Mahy and M. Gerville-Reache, had declared themselves in favour

of tariff assimilation, the motion for adjournment was not even voted on. In the senate, a better informed representative of the colonies, M. Isaac, offered a motion of adjournment, which was supported by M. Buffet. In spite of the excellence of his arguments, which would have convinced a less prejudiced assembly, the motion was rejected by 202 votes against 51 (sitting of December 17, 1891).<sup>13</sup> Tariff assimilation, however, could not be made the universal rule. It was practically inapplicable for the scattered territories such as those of the establishments of India and Oceania. In several parts of the African continent, international engagements prevented its being put in force. Accordingly it was necessary to make a distinction. Two groups of colonies were created: (1) the assimilated colonies, including Martinique, Guadeloupe, Guiana, Saint-Pierre and Miquelon, Reunion, Mayotte, Gabon, French Indo-China and New Caledonia; (2) the non-assimilated colonies, including the French territories of the western coast of Africa (except Gabon), Tahiti and its dependencies, the French establishments of India, Obock, Diego Suarez, Nossi-Bé and Sainte-Marie of Madagascar. But in the minds of the legislators, assimilation constituted the rule. The non-assimilated colonies, in the very terms of article 3, constituted *an exception*. This exception had been admitted with regret and it seemed destined to disappear. 'The exclusion of certain colonies was only provisory and each of the non-assimilated establishments was to retain its own regulations only until circumstances should permit its subjection to the general legislation.'<sup>14</sup>

As a fact, the list of assimilated colonies was extended in the years following. A decree of May 23, 1896, added the Comores. The law of April 16, 1897, subjected to the régime of assimilation the colony of Madagascar, and this carried with it the small establishments, formerly separate, of Nossi-Bé, Diego-Suarez, and Sainte-Marie, which were absorbed in the colony of Madagascar. From that time the



group of assimilated colonies seemed much the more important. At the beginning of the twentieth century, the external commerce of the assimilated colonies amounted, in round numbers, to 600,000,000 francs and that of the non-assimilated colonies to 200,000,000. Thus, three-fourths of the colonial commerce was conducted under the new régime.

To analyse the legislation now in force, separate account must be taken of the assimilated and the non-assimilated colonies. For each of these categories we must examine, first, the regulations governing the import and export of products in the colony itself, and, second, the regulations to which the products of these colonies are subjected on their entry into France.

*Tariff Regulations of the Assimilated Colonies.*—These regulations are based on articles 3, 4, 5 and 6 of the law of January 11, 1892, the provisions of which may be analysed as follows :

On importation into the colonies, wharfage dues are collected on all products to which the duties are applicable, without distinction of origin. There would be no reason for dwelling upon this point, if the law of 1892 had not reduced perceptibly the rights of the local authorities in the matter. Article 6 of this law declares

The manner of assessment, the rules for collecting and the distribution of receipts from the wharfage duties shall be established by the deliberations of the Councils-General or of the Councils of Administration, approved by decrees rendered in the form of ordinances of the central administration. The rate of wharfage duties shall be voted by the Councils-General or the Councils of Administration of the colonies. They shall be rendered executory by decrees given upon the report of the Ministers of Commerce, of Industry, and of the Colonies. They may be provisionally put into execution in virtue of an order from the governors.<sup>15</sup>

Thus, even in regard to the wharfage duties the central power reserves ultimate control.

In regard to the customs, we must distinguish (1) imports

from France, (2) from another French colony, and (3) from a foreign country.<sup>16</sup>

1. *Imports from France.* French merchandise and foreign merchandise nationalized by the payment of duties in France are admitted into the assimilated colonies duty-free. This privilege is, however, made conditional upon direct shipment, which may take place under any flag.

What of the merchandise, of foreign origin, admitted to France in bond, and re-exported to the assimilated colonies after having been subjected to elaborative processes by national industry? Logically, such merchandise, when consumed in the territory of an assimilated colony, should not be treated otherwise than if it were consumed within the national domain. Otherwise, the colonial consumer would find himself more favourably treated than the home consumer. Accordingly the principle has been accepted that such products exported from France to assimilated colonies should be subject on arriving at their destination to the payment of duties commensurate with those otherwise paid by the foreign materials which they are supposed to contain (Opinion of the Council of State of August 2, 1887). By exception, this principle is not applied to the Antilles and Reunion, where the contrary rule, established by article 30 of the law of May 16, 1863, still remains in force. The inconsistency is a fortunate one, from the point of view of these three colonies, and beneficial to their trade. It is proposed, however, to do away with it.<sup>17</sup>

As for the drawback established by article 10 of the law of January 11, 1892, on the exportation of cotton fabrics, it is naturally denied to the fabrics exported to the assimilated colonies (ministerial decision of March 23, 1893).<sup>18</sup>

2. *Imports from the other Colonies.* This matter is regulated by article 5 of the law of January 11, 1892, which makes no distinction between products coming from an assimilated colony and those coming from a non-assimilated colony.

‘Products from one French colony imported into another

French colony', says article 5, 'shall not be subject to customs duty.' To this rule, which was at first absolute, a law of April 19, 1904, declared an exception in regard to the products of French India. These products are subject to the same rates as those of the most favoured foreign countries, with the exception of a limited quantity of long cloth which India has the right to export annually, free, to the other French colonies.

Foreign merchandise sent from one French colony to another is subject, on arrival, to the payment of the difference between the duties of the local tariff and those of the tariff of the colony from which the merchandise has been shipped.

3. *Imports from Foreign Countries.* Foreign products imported into the assimilated colonies are subject to the same duties as if they were imported into France. This is the principle of assimilation, pure and simple. It is tempered, however, by the following provision: Decrees rendered in the form of ordinances of the central administration shall determine the products which, by exception, shall be the object of a special rate of duty. The Councils-General or of Administration are called upon to give their advice regarding the proposed exceptions and may offer resolutions proposing other exceptions, which a new decree, given in the same form, may then grant them (arts. 3 and 4).

According to paragraph 5 of article 3 of the law of January 11, 1892, the French national tariff becomes applicable to each colony only upon the promulgation of the decree determining upon the exceptions, which must be given within a year of the enactment of the tariff law. As a fact, the decrees concerning Reunion, Mayotte, and New Caledonia were signed on November 26, 1892. Those concerning Gabon, Indo-China, Martinique, Guadeloupe, and Guiana were signed on November 29; and that concerning Saint-Pierre and Miquelon on December 21. Next followed the decree of May 23, 1896, promulgated after the tariff assimilation of Comorre, and the decree of July 28, 1897, rendered

after the tariff assimilation of Madagascar. The several decrees have, moreover, since undergone a good many modifications, some of which have diminished and others have increased the customs duties established in the first instance.

The power thus granted to the government to declare by decree exceptions to the general customs tariff, gave it the means of abating in some measure the hardships which the application of the French tariff inflicted upon the colonial consumer. To this end it was sufficient to give due consideration to the advice of the Councils-General of the colonies concerned. This mitigation of burdens was approved by M. Jules Ferry, whose protectionist convictions were happily counterbalanced by an ardent zeal for the development of the French colonies.

It has never entered into the thought of a reasonable being, to apply, as a whole, the national customs tariff to the French colonies, without taking into account distance, climate, or the infinite variety of this distant domain, scattered over all parts of the world, in all habitable latitudes. Such a narrow, absolute, radical conception was not that of the parliament; it would be a caricature of the new régime, not at all its sane and loyal application. By the fourth paragraph of article 3, the door is left wide open for the necessary exceptions. In short, each colony shall have its special tariff. . . .

Unfortunately these wise counsels have not been closely followed by the government and the Council of State, which are 'preoccupied', said M. Bouchie de Belle, 'much more in realizing the intentions and the aim pursued by the authors of the law of January 11, 1892, than in attending to the advice given by the local councils.'<sup>19</sup>

It would be a waste of time to enumerate here the diverse exceptions contained in each of these decrees. They relate especially to foodstuffs. Live animals, rye, maize, and rice, fish, salt, and legumes enter free, or on payment of a very low duty, in almost all the assimilated colonies. Coffee, tea, and spices enjoy, in a certain number of the colonies, a reduction of duty. Chemical fertilizers enter free in the sugar-producing



colonies. Coal enters free in the Antilles and Madagascar. As for manufactured products, the reductions made in the French national tariff are much less numerous. The most important exception concerns the sacks or casks which are used for the packing of colonial products. Only the tariffs of Madagascar, of Indo-China and of New Caledonia permit notable reductions in favour of manufactured products. In Madagascar, cotton fabrics, furniture, and articles in wood enjoy reduced rates. In Indo-China, the exceptions concern principally manufactured products of Chinese origin for the use of the native consumers. In New Caledonia, the exceptions are more varied. They relate to metals and metal-work, work in wood, carriages, &c. The extreme remoteness of this colony necessitated this greater number of exceptions.

Two observations apply equally to all these decrees: (1) the excepted products are subject to a specialized rate which takes the place of both the French general tariff and of the minimum tariff; (2) the products imported into the colonies are exempt from the warehousing surtax indicated in lists C and D, annexed to the law of January 11, 1892.

Customs assimilation constitutes, in principle, a return to the French national tariff. But since 1892 many modifications have been made in this tariff. Hence have arisen two very interesting questions. The first concerns the changes made in the tariff (list A) by later laws. The greater number of these laws had for their object the raising of the original duties on certain products. As a result the colonies have been subjected to the consequences of the new provisions, except in so far as the new laws bore upon products comprised in the decrees of exception.

In the debate on one of the most important of these laws, that of March 29, 1910, an important principle was, however, introduced. The defenders of the colonial interests, who had remained silent at the time of the discussion of the tariff of 1892, were on the watch.<sup>20</sup> They obtained the

insertion in the law of article 7, paragraph 2, which reads as follows :

The tariff rates forming the subject of the present law shall come into force in the colonies, the French possessions and the countries of the protectorate of Indo-China, only after decrees, in the form of central administrative ordinances, rendered upon the report of the Minister of the Colonies, the Minister of Commerce and of Industry, and the Minister of Finances, and after advice of the Councils-General and of the Councils of Administration of the colonies, shall have determined the products, which, by exception to paragraph 3 of article 3 of the law of January 11, 1892, shall be the subject of a special tariff rates. Such decrees must, however, issue within a year of the enactment of the law.

Thus the colonies obtained at least a respite. This respite was even a little longer than had at first been foreseen. The year passed without the decrees having been signed. A law of March 30, 1911, extended the time by three months, and it was only on June 30, 1911, that the decrees in question were rendered. These decrees, however, made but insignificant ameliorations in the revised tariff. They practically confined themselves to the maintenance of former exceptions, with some modifications and additions. There is an interesting point to be noted in regard to the Indo-Chinese tariff. Cotton thread, Chinese fancy articles in wood, and boxes of white metal, are subject to a double tariff; provision is made for a minimum tariff in addition to the general tariff applicable to Indo-China.

But the colonies paid dearly for the respite given them by the law of 1910 and the satisfaction of seeing their tariff examined again in detail. The law of March 29, 1910, decided that the decrees granting special tariffs to the colonies should be countersigned by the three ministers of the colonies, of commerce, and of finances. 'This', writes M. Gervais in his 1911 budgetary report of the ministry of the colonies,<sup>21</sup>

is an aggravation which renders much more difficult the granting of concessions in these particular tariffs. Under the former régime when there was opposition between the propositions of the

## 102 EVOLUTION OF COLONIAL TARIFF POLICY

Minister of the Colonies and the opinion of the Minister of Commerce, the Council of State arbitrated the difference. Furthermore, the Minister of the Colonies, having full responsibility, could brush aside the opposition of his colleague and even the conclusions of the Council of State. This is no longer true. An agreement must be reached by the three administrations concerned. If this understanding is not effected, there can be no outcome; accordingly it follows that each of the three ministers enjoys practically a veto upon the demands of the colonies. The granting of special rates has thus become more difficult and the procedure of initiating such rates has become much slower.

The second question concerns the applicability to the colonies of the commercial treaties which have accorded to different foreign powers the benefit of the minimum tariff. But this question, because of its importance, will be examined independently (see below).

*Export Duties.*—In regard to exportation, there is an important difference between the tariff legislation of the assimilated colonies and that of the mother country. In France no export duty has been levied since 1863. No customs duty appears in list B (exports) annexed to the law of January 11, 1892. On the other hand, export duties appear in a good many of the colonies. These duties are of three kinds. The first are purely fiscal duties, levied upon certain products exported, whatever their destination. The second have a differential character: they affect products exported to foreign countries, but they spare those sent to France. The third have the character of compensatory taxes: they take the place of certain direct imposts which have disappeared or which were considered too difficult to collect. Export duties, purely fiscal, levied regardless of the destination of the product exported, exist in Madagascar, Gabon, Guiana, and New Caledonia. In *Madagascar*, they fall upon cattle (2 francs 50 centimes per head), and on india-rubber (40 centimes per kilogramme). In this colony, export duties have a temporary character; they are to cease to be levied at the end of the year 1914, unless a new provision is made to retain them in

force. In *Gabon*, export duties of ten per cent *ad valorem* are levied on ivory and india-rubber ; those which up to the past year were levied on divers other products have been abolished (decree of October 11, 1912). In *Guiana*, there is an export duty of 226 francs or 238 francs per kilogramme, according to condition, on native gold and a duty of 50 centimes per ox-hide. In *New Caledonia*, ores of nickel, copper, and chrome pay on exportation one franc twenty-five centimes per ton, and the ores of cobalt one franc fifty centimes (decree of December 21, 1905).

In Indo-China export duties are levied upon products destined exclusively for foreign countries. It was otherwise before 1898 : export duties had then a purely fiscal character and were collected regardless of the destination of the product exported, even if this product passed simply from one part of Indo-China to the other. The decree of September 29, 1898, decided that, in the future, exemption from export duties should be granted (1) to products exported intended for France or the French colonies (with the condition, however, that they be transported direct), and (2) to products going simply from one part of Indo-China to another. Accordingly this decree finally created an Indo-Chinese tariff union. At the same time, it gave to the export duties a differential character.

The number of products affected by export duties in Indo-China was decidedly diminished by the decree of October 10, 1908. The only products now subject to the export duty are : horses, oxen, buffaloes, pigs, elephants, silk, paddies, Indian anis, swallows' nests, fish, rice, sugar, amomum and cardamom, cinnamon, vegetable oils and sugars, charcoal, raw and ginned cotton, and cunac.

There are also levied in Indo-China, transit duties on foreign merchandise which passes through Indo-Chinese territory. The transit duty is equal to one-fifth of the duty collected on the importation of foreign merchandise intended for consumption in Indo-China,



Compensatory export duties appear in the *Antilles* and in *Reunion*: they were originally created in compensation for the abolition of the capitation tax on slaves, and they have been maintained in lieu of the tax on unimproved land, which does not exist in these islands. In those plantation colonies that export the whole of the products of their soil (except the very small part retained for local consumption), the export duty may properly be considered the most practicable form of land taxation. It is easier to collect, and follows more faithfully the fluctuations in the return from land from one year to another. In Martinique, the export duty falls only upon sugar, molasses, rum, and tafia. In Guadeloupe, it is levied upon coffees, cocoa, logwood, rocoa, and brandy. In the Antilles, export duties take the form of specific duties; the most important of the products, exported sugar, pays one franc twenty centimes per 100 kilogrammes. In Reunion, the products affected by export duties are more numerous, and these export duties take the form of *ad valorem* duties (two per cent). In these three colonies, some additional centimes for local purposes are added to the export duties.

Under the name of taxes in lieu of the land tax, there appears in Indo-China an impost which falls on rice and paddies exported, whatever the destination. For rice and paddies exported to foreign countries an export duty is added. The taxes in lieu of land tax are levied only on rice and paddies exported to France.

It is not scientifically accurate to describe this as a compensatory tax, since Indo-China levies a direct tax on the rice-fields. The export impost is rather complementary to the land tax than in lieu of it. This tax, moreover, is very light (it is much lower than the export duty on the same products), and has a purely fiscal character. It was established by an order of the Governor-General of February 7, 1899.

*Regulations applicable to the Products of Assimilated Colonies on their Entry into France.*—The application to the assim-

lated colonies of the customs tariff imposed by the mother country in her own interest, called for a compensation in favour of the colonies. The logical conséquence of the principle of assimilation would have been the complete abolition of all customs duties on the importation of products of the French colonies into the mother country. Unfortunately, this desideratum came into collision with a considerable fiscal interest. It is true that from the protectionist point of view there is no reason for taxing colonial commodities which are not in competition with the products of the home country. But, from the fiscal point of view, it is easy to understand why there should be a consumption tax on these commodities, which will naturally be collected by the administration of the customs. Sugar, coffee, and cocoa furnish for the French budget important resources, the total of which amounts to several hundreds of millions of francs, and which it is evidently impossible to abandon.<sup>22</sup> This is why, although admitting in principle the free entry into France of the products of French colonies, the legislature of 1881 excepted sugar and the other colonial consumption staples. The legislators of 1892 did the same. All that they believed it possible to concede, was to grant to colonial commodities, other than sugar, the benefit of duties reduced by one-half. The régime applicable to the products imported from the assimilated French colonies into the mother country was established by list E, annexed to the law of January 11, 1892. The rules contained in this list may be analysed as follows :

List E draws a fundamental distinction between products originating in the colonies and goods from foreign countries which, after having been imported into a colony, are later re-exported to France.

(I) *Products of Colonial Origin.* In principle, these products enter France free of duty, on condition that they be imported directly and that the proofs of origin required by the regulations be produced. To this principle list E makes a double exception.

(a) The first, which to-day has practically lost all importance, concerned the colonial consumption staples proper: coffees, cocoa, tea, pepper, allspice, amomum and cardamom, cinnamon, cassia lignea, nutmeg, mace, cloves, and vanilla. These commodities had to pay only one-half of the duties registered in the French tariff (see list A, nos. 96 to 108). In this list, colonial consumption staples appear only in the general tariff. As the figures called for by this tariff were very high, the protection resulting from the differential duty was very important. The coffee of the French colonies paid 78 francs per 100 kilogrammes instead of 156, cocoa 52 instead of 104, vanilla 208 instead of 416, mace and nutmegs without shell 156 instead of 312, tea, pepper, allspice, amomum and cardamom, cinnamon, cassia lignea, and nutmegs in shell, 104 instead of 208.

The difference in rates between foreign and colonial products indicated by the foregoing figures has long been regarded as both a necessary and an adequate protection to colonial production. Accordingly, when the tariff applicable to similar foreign commodities was modified, arrangements were made to retain the same margin of advantage to colonial products. Thus the law of July 17, 1900, which reduced to 136 francs the duty on foreign coffees, determined that coffees from the colonies should pay, not one-half of this rate, that is to say 68 francs, but 58 francs, so as to maintain the difference of 78 francs which had existed previously. On the other hand, when the law of March 29, 1908, raised to 312 francs the duties on foreign peppers, it determined that peppers from the French colonies should pay thereafter, not one-half of 312 francs, that is to say 156 francs, but 208 francs, so as to maintain the former difference of 104 francs which had been judged sufficient.

Duties on colonial consumption staples were perceptibly raised, in theory, by the law of February 24, 1900. By this law these staples, with the exception of cocoa, were listed in both the general and the minimum tariffs. The duties previ-

ously levied became those of the minimum tariff and the new general tariff represented much higher rates (300 francs for coffee, 400 francs for tea and spices, 600 francs for mace and nutmegs without shell, 800 francs for vanilla). Since, however, this new general tariff serves chiefly as a club in commercial negotiations, while in fact the minimum tariff alone is actually applied, the advantage resulting from this increase of the general tariff for the French colonies has been theoretical rather than practical.

These provisions, however, have only a retrospective interest. According to the law of August 5, 1913, of which we shall speak more at length in the following chapter, beginning with January 1, 1914, all colonial consumption staples proceeding from assimilated French colonies enter France free, with the exception of pepper, in regard to which there is no change.

(b) The second exception concerned sugar and its derivatives, molasses, syrups, biscuits, preserves. In regard to these products, list E merely refers to nos. 90 to 95 inclusive, of list A. According to the latter list, there was no considerable difference in the treatment of sugars from the French colonies and that of foreign sugars: The chief difference consisted in the surtax of seven francs levied upon sugars of European origin or those imported through European entrepôts.

This second exception appears to have been inevitable. To grant free entrance to sugars from the French colonies was not to be thought of, for it was absolutely necessary to make them bear the equivalent to the impost laid in France on native beet-sugars. Furthermore, in the interest of the refineries established in our sea-ports it was necessary to maintain the equality between French cane-sugar and foreign cane-sugar, in order to keep the foreign sugar from going elsewhere to be refined. Later, it is true, certain advantages were accorded to the colonial sugar production. The law of April 7, 1897, gave it the benefits of the export bounty instituted by the law (art. 1). Furthermore, article 2 of this law re-established, in favour of the sugars of the French



colonies, a tax abatement for distance of two francs twenty-five centimes per 100 kilogrammes of refined sugar from the American colonies, and of two francs fifty centimes for the sugar from the other colonies. Article 9 raised the surtax on foreign sugars and extended its application to foreign sugars imported from countries outside of Europe. But the greater part of these advantages disappeared as a result of the Brussels convention of March 5, 1902. France, having adhered to this convention, had to suppress all the advantages, direct or indirect, granted by her to the production or exportation of sugar. From that time, it has not been possible to grant manufacturing abatements or premiums on exportation; the surtaxes on foreign sugars could not exceed six francs per 100 kilogrammes on refined sugars and five francs fifty centimes on other sugars. The abatement for distance has been retained because its aim is, not to procure an advantage for colonial sugars, but to lessen the disadvantage resulting from their distance from the home market. At the same time, in part compensation to the sugar interests, France sought to develop the consumption of sugar in her internal market by lowering the impost on sugar from sixty francs to twenty-five francs, beginning with September 1, 1903 (law of January 28, 1903).

II. *Foreign Merchandise imported from the Colonies into the Home Country.* Logically, foreign merchandise imported into the assimilated French colonies should be considered as nationalized by the payment of duties. On their importation into France, they should pay only the difference between the two tariffs in case these articles are of those included in the decrees of exception. To express it in another way, what is true of foreign merchandise re-exported after having entered the French market should be equally true of those re-exported to France after having been in the colonial market. But the actual practice is very different. Foreign merchandise, imported from the colonies, must pay on arriving in France the duties of the national tariff. This

regulation has been criticized as unjust by certain authors,<sup>23</sup> and so, in fact, it would seem, if we disregard realities in order to fix our attention upon the principles. M. Pallain<sup>24</sup> offers for the policy the following justification :

If one considers that foreign merchandise never needs to go to France by way of the colonies and that the coast or frontiers of these possessions beyond seas are not policed like those of the mother country, one will recognize that the policy adopted injures no legitimate interest and closes the door upon a fraud which illicit traders would be only too much tempted to practise.

An exception, however, has been made to this regulation by the law of February 24, 1900, article 3 of which decides that foreign colonial commodities that have paid special taxes in the colonies ' are liable, on their importation into France, to the duties of the *general tariff*, with the deduction of the special tax already paid '. But this does not mean that such merchandise pays in the aggregate a tax merely equal to what it would have paid if imported directly into France. Most of the countries producing colonial commodities have the benefit of the French minimum tariff, and the duties of the general tariff, even diminished by the amount of taxes already paid in the colonies, remain higher than those that figure in the minimum tariff. Accordingly, foreign colonial commodities gain an advantage by coming directly to France.

Finally, Table E contains a regulation which applies equally to products of colonial origin and to those of foreign origin. The prohibitions or restrictions established on grounds of public policy or in consequence of monopolies (for instance those relating to tobacco and to matches) are applied to products imported from the colonies without distinction.

### *Tariff Régime of the Non-Assimilated Colonies*

The customs duties collected on the products imported into the non-assimilated colonies have nothing in common with those established by the law of January 11, 1892, and

are determined by special decrees for each colony. The same thing holds true of the export duties on the principal products exported. These import and export duties, moreover, do not appear in all the colonies. We must therefore study the different establishments separately.

(1) *French Possessions in Western Africa.* The system of customs duties in the colonies which form, to-day, the French possessions of western Africa, were formerly rather complicated. In the first place, each colony had its particular tariff; consequently, the duties to be paid, whether on importation or on exportation, varied according to the colony. In the second place, in the greater number of these colonies, in addition to the customs duties established by decrees and levied only on foreign products, local ordinances had established consumption taxes falling without distinction upon objects, whether of French or foreign origin.

These differences in customs rates must appear somewhat irrational. The divers coastal colonies of French West Africa have a *hinterland* in common, the Sudan, which European merchandise can enter either by one port or the other: the diversity of tariffs was of a nature to favour certain colonies to the detriment of others. Again, the distinction between the customs duties and the consumption taxes was somewhat artificial, and had raised difficulties requiring judicial settlement. Both were collected upon importation; the consumption taxes, like the customs duties, reached only products coming from outside, since similar local products did not exist or were not important enough to make it worth while to include them.

A decree of April 14, 1905, endeavoured to do away with these distinctions. This decree was the logical consequence of the creation of the general government of French West Africa. The decree of October 18, 1904, which gave corporate existence to the general government of French West Africa, indicated the expenditures and the receipts which should figure in its budget. Among the receipts, article 7,

paragraph 2, of this decree specified 'the yield of the duties of all kinds, with the exception of communal consumption taxes, collected on imports and exports throughout the whole extent of French West Africa upon merchandise and upon ships'. When the duties collected from products imported or exported ceased to be a source of revenue to Senegal, Guinea, the Ivory Coast, or Dahomey, and fell to the government of French West Africa it was logical to reduce them to uniformity throughout the whole extent of the general government.

But the attempt to establish uniformity encountered a serious difficulty. Four English colonies, one Portuguese, and one German colony are enclosed in French West Africa. The very marked differences in the tariffs of these colonies might lead importers to consign products intended for the Sudan to the foreign ports, a result which it was necessary to avoid. On the contrary it was desirable to attract commerce to the French ports. To attain this end it was necessary to introduce special regulations for the several parts of French West Africa. Again, in regard to Dahomey and the Ivory Coast, the French government was fettered in its action by article 9 of the Anglo-French convention of June 14, 1898, which stipulated equality of treatment in the curve of the Niger during thirty years 'in so far as concerns river navigation, commerce, the customs and fiscal régime and taxes of all kinds'. Accordingly, it was necessary to make a distinction between Dahomey and the Ivory Coast on the one hand, and the rest of French West Africa on the other.

The import tariff established by the decree of April 4, 1905, was extremely simple. It contained about twenty numbers. These import duties took the place both of the consumption taxes and of the former customs duties. Both were fused into a single tariff comprising import duties upon both French and foreign merchandise, and, when necessary, surtaxes upon foreign products. These duties were specific in some cases and *ad valorem* in others. Specific duties were laid on salt,



tobacco, sugars, kola, alcohol and liquors, powder and saltpetre. In Senegal they were also levied upon the cotton textiles called *guinées*.<sup>25</sup> Other products were subjected to *ad valorem* duties calculated according to official rating, or, that failing, according to the amount of the invoice increased by twenty-five per cent. In Senegal and in Guinea, the *ad valorem* duties were in general twenty-five per cent, with a surtax of seven per cent on foreign products.<sup>26</sup> On the Ivory Coast and in Dahomey, they were ten per cent on both foreign and French products.

Later, a decree of 1905 enumerated a rather long list of objects which might enter free throughout French West Africa. The chief items were live animals, meats, fish, fruits, vegetables, coal, agricultural implements, and other products designed principally for the use of Europeans. Freedom was also accorded to certain products coming from neighbouring foreign colonies which simply traverse the territory of French West Africa in order to embark at one of the ports (almonds, india-rubber, gum-arabic, ground-nuts, etc.).

With the purpose of preventing products destined for French Guinea from arriving in the territory otherwise than through its own ports, the decree of April 14, 1905, retained the surtax on indirect importation falling on merchandise of whatsoever origin imported into the colony, after transit through non-French territory of the African continent. This surtax was fixed at twenty-five francs per 100 kilogrammes on textiles and clothing materials, twenty francs on powder and munitions, ten francs on tobacco, and three francs sixty centimes on other products.

On the other hand, the decree of April 14, 1905, did away with the rather numerous export duties. It simply preserved a tax of seven per cent on india-rubber exported.

(2) *French Equatorial Africa*. A distinction must be made here between Gabon, or rather the part of Gabon which lies outside of the conventional basin of the Congo,<sup>27</sup> and the

remainder of equatorial Africa. It was possible for the French legislation to include among the assimilated colonies the part of Gabon where French liberty of action was complete. But, in respect to the territories situated south of the parallel 2 degrees 30 minutes, south latitude, which ends at the lagoon of Sette-Kama—territories forming part of the conventional basin—France was limited in its action by the general act of the conference of Berlin, February 26, 1885. Chapter i of this act established the principle of complete liberty of commerce for all nations in the territories forming this conventional basin, as well as the principle of equality of treatment for all flags, and for merchandise of whatever origin. Indeed, article 4 adds: ‘Merchandise brought into these territories shall remain exempt from import and transit duties.’

It was, however, necessary to provide sources of revenue for the Congo Free State and for the colonies owned by France and by Portugal, in the conventional basin. Accordingly, a declaration, signed at the time of the conference of Brussels, July 2, 1890, granted to the powers having possessions in this region, the right of levying on merchandise imported customs duties not exceeding eight per cent *ad valorem*. In consequence, the protocol of April 8, 1892, signed at Lisbon by the representatives of France, Portugal, and the Congo Free State, fixed the duties to be collected upon merchandise on importation and exportation. This arrangement, limited to a period of ten years, was extended until July 2, 1905, by the convention of May 11, 1902. By this convention the arrangement, after 1905, might be extended, year by year, but each of the three powers was free to terminate it at three months’ notice.<sup>28</sup> As a fact, the arrangement was denounced by France, July 2, 1911, but the *status quo* was provisionally maintained<sup>29</sup> until the decree of October 11, 1912, which established the present tariff for Equatorial Africa. According to article 1 of this decree, products of whatever origin, imported by land or by sea, into the French

possessions of equatorial Africa (with the exception of Gabon), pay as a general rule ten per cent. By exception, the duty is reduced to five per cent for live animals, rice, lime, cement, bricks, iron, and steel, and to three per cent for coal, machines, and railway material.

(3) *The French Coast of Somaliland.* There are no customs duties on imports in this colony. There is only a consumption tax, levied upon a certain number of articles of merchandise without distinction as to place of origin. Divers products destined for Abyssinia, notably beverages and arms, are subject, in addition, to a registration tax. Export duties are levied upon live animals, skins, wax, coffee, and ivory. They constitute one of the chief fiscal resources of the colony.

Western Africa, equatorial Africa and the coast of Somaliland all lie in that part of Africa falling between 20 degrees north latitude and 20 degrees south. These three colonies are, in consequence, subject to the special regulations proclaimed with the intention of restricting the sale of ardent spirits, by the general act of the Anti-Slave Conference of Brussels of July 2, 1890, chapter vi, articles 90 to 95. The duties upon alcohol at first fixed at fifteen francs per hectolitre of 50 degrees, were afterwards raised to seventy francs by the convention of Brussels, June 8, 1899, then to 100 francs by the convention of November 3, 1906. This last convention, executed for a term of ten years, has been promulgated in France by a decree of November 7, 1907. On the expiration of the period covered by this decree, duties on alcohol were raised in the colonies in question to 200 francs per hectolitre of alcohol of 100 degrees.

(4) *French India.* Customs duties are unknown in French India, either for imports or exports. There are only consumption taxes bearing principally upon ardent spirits, levied without distinction as to origin, and varying, besides, according to the establishments.

(5) *French Establishments of Oceania.* Customs duties were established upon foreign merchandise imported into the

colony by a decree of May 9, 1892. This decree has been partially modified, several times; a decree of February 17, 1906, increased a certain number of duties. The tariff admits of both specific duties and duties *ad valorem* upon the invoice bill, increased by 25 per cent. The *ad valorem* duties are in general 8 per cent, 13 per cent, or 15 per cent. The higher duties reach 20 per cent, some even 30 per cent.

An export duty of fifteen francs per 100 kilogrammes was established on mother-of-pearl by a decree of March 12, 1899. At first this duty was reimbursed to the exporter upon the production of a certificate from the French customs declaring that the mother-of-pearl exported had been unloaded for consumption in a French port. A decree of June 13, 1906, reduced the duty to six francs, at the same time deciding that it should be collected regardless of the destination of the product. Export duties are likewise levied upon copra (six francs per 100 kilogrammes) and on phosphates (seventy-five centimes per ton).<sup>30</sup> In 1912 the income from the export duties amounted to 37,367 francs for mother-of-pearl, 56,896 francs for copra, and 29,234 francs for phosphates.<sup>31</sup>

As a final observation, we may note that the provision by which products of a French colony, imported into another French colony, are admitted duty free, is applied to non-assimilated as well as to assimilated colonies. Exception is made only for the products of French India other than *guinées* (long-cloth), which are accorded most-favoured-nation treatment.<sup>32</sup>

*Regulations affecting the Products of the Non-Assimilated Colonies on their Importation into France.*—Exemption from import duties, which is the rule for the products of the assimilated colonies, is the exception for those of the non-assimilated colonies. According to article 3, paragraph 2, of the law of January 11, 1892, the provisions of list E are not applicable to them. These products are subjected, in principle, to the rates of the minimum tariff.

The products of the non-assimilated colonies have not,



however, been subjected to the consequences of the advance in rates resulting from the law of March 29, 1810. According to article 7, paragraph 1, of this law :

Until new decrees have been promulgated fixing the tariff regulations of the free zones of the province of Gex and of Upper Savoy, of Corsica, of the colonies and protectorates, the present law shall be applicable to the imports from these territories into France only in so far as concerns the special reductions made in previous tariffs. This provision is, however, subject to the action of the appropriate administrative authorities.

Accordingly, the application of the new law is in abeyance, and the products of the non-assimilated colonies continue to receive the benefit of the former minimum tariff.

The application of the minimum tariff to the products of the non-assimilated colonies admits, however, of three modifications. The first concerns sugars and their derivatives, which are subjected to the same régime as those of the assimilated colonies. The second concerns the *guinées* (or long-cloth) of French India. Article 3 of the law of January 11, 1892, had granted them free entry into France. In consequence, with the aim of checking the development of this industry, which, it was complained, competed with the cotton industry of the mother country, the law of April 19, 1904, limited to 2,000,000 kilogrammes of cotton fabrics (up to number 26) and to 1,500,000 kilogrammes of thread (up to number 20) the amounts admitted free of duty, and decreed that the textile fabrics should be admitted free only on condition of having been woven from thread manufactured in Pondichéry. A decree of February 17, 1906, rendered in execution of this law, imposed upon the proprietors of the spinning factories and of the weavers of French India the obligation to make declarations, and subjected them to a very strict supervision by the tax collectors.

The third modification consists in the possibility of granting exemptions or tax abatements on certain products of the non-assimilated colonies by decrees of the Council of State.

Under authority of this regulation, registered in article 3, a decree of June 30, 1892, exempted from all duty palm oil and the woods from the western coast of Africa, without limitation as to quantity; in addition it reduced by one-half the duties of the national tariff on coffee from the western coast of Africa and on the vanilla from Tahiti, but only up to the amount fixed annually by decree for each colony. A decree of April 22, 1896, exempted from all duty the bananas of French Guinea, up to the limit of a quantity to be decided upon from time to time. A tax abatement of one-half was granted, up to a limited amount, to be fixed annually, to the cocoa of Guinea, by a decree of September 14, 1898; to that of Dahomey, by a decree of August 17, 1907; and to that of the Ivory Coast by a decree of November 16, 1911. Free importation was granted, under the same conditions, to oxen coming from Senegal and from Upper Senegal-Niger by a decree of September 4, 1909, and to oxen from Guinea by a decree of October 31, 1911.

In consequence of the decrees which reduced the duties on the coffees and the cocoas of the western coast of Africa, a duty upon similar foreign products imported into Guinea, equal to this abatement, was established, and on all similar products, without distinction as to origin, imported into the Ivory Coast and into Dahomey, where it was necessary to maintain equality of treatment. The recent abolition of the tax abatement will without doubt very soon have, as a consequence, a correlative modification of these different decrees.

Finally, we must call attention to the decree of April 22, 1899, which granted to coffee and to cocoa coming from the conventional part of the basin of the Congo included in French Equatorial Africa, a tax abatement equal to the total of the duty collected in the colony on similar products coming from foreign countries.

*The Tariff Regulations Applicable to the Products of the New Hebrides.*—The Treaty of London of October 20, 1906,

made of the archipelago of the New Hebrides a territory under the joint influence of France and of England.<sup>32</sup> From that time, this archipelago may be considered as a sort of undivided interest of the two countries. As no customs duties exist in these islands, there is no reason for analysing the situation of French, English, and foreign imports. The exemption is absolute. But the question has arisen as to whether it is not desirable to grant preferential treatment to goods produced or manufactured by the French established in the New Hebrides on importation into France or into the colonies. It has seemed just not to treat as strangers those of our compatriots who have devoted themselves to work for the development of French influence in these islands. This point of view has inspired a whole series of measures.

The principle at issue found expression in the law of July 30, 1900, article 2 of which authorized the government to establish by decree the customs régime applicable to products coming from the New Hebrides, 'gathered or manufactured by the commercial or agricultural establishments owned or worked by Frenchmen, or by civil or commercial French companies.' Under authority of this law, the decree of November 12, 1901, reduced the duties collected, on importation into France or into New Caledonia, on maize, coffee, cocoa, or vanilla exported by the French established in the New Hebrides. This preferential régime is subject to the condition of direct importation, but with the privilege of transshipment to Noumea. The amounts so admitted under reduced duty are fixed by decree each year, for the colony as a whole, and individually for each producer by the governor of New Caledonia. A decree of July 24, 1902, granted free importation into New Caledonia to divers fruits gathered in the New Hebrides, without limitation as to quantity. Finally, a decree of April 16, 1904, granted free importation to maize coming from the New Hebrides imported into New Caledonia and to all

products coming from the New Hebrides imported into the other French colonies. But this privilege is limited to the quantities fixed annually, by decree, for the colony, and by order of the governor of New Caledonia for each producer. It may be a matter of surprise that the products of the New Hebrides are not treated as favourably in New Caledonia as in the other French colonies. The desire to reserve a more advantageous situation for the New Caledonian producer in the local market is the only explanation of this unreasonable difference.

*Regulations Applicable to Algerian Products on their Importation into the Colonies, and to the Products of the Colonies on their Importation into Algeria.*<sup>33</sup>—Efforts made by certain manufacturers and merchants to create a direct line of trade between Algeria and the colonies have given rise to a very delicate question which the legislators of 1892 had failed to foresee. What regulations should be applicable to the products of French colonies on their importation into Algeria? And to what regulations should Algerian products be subjected on their importation into the colonies?

In order to solve this twofold problem, it is necessary to go back to principles. The question will then present itself in the following form: Should Algeria be considered as an assimilated colony or as an integral part of the national territory?

If Algeria is considered as a colony, article 5 of the law of January 11, 1892, ought to be applied. According to this law, the products of a French colony imported into another French colony are to be admitted duty free. Thus we should be forced to the conclusions: (1) Algerian products should have free entry into the colonies; (2) The products from the colonies should have free entry into Algeria. This is the position of the Ministry of the Colonies. The Council of State has twice accepted it.

If, on the other hand, one regards Algeria, not as a colony, but as an integral part of the national territory, one is



forced to the following conclusions : (1) Algerian products should be subject on their importation into the colonies to the same treatment as similar national products ; they should enter free in the assimilated colonies and should pay, in the non-assimilated colonies, the import duties to which national products are subject ; (2) The products of the colonies should be subject in Algeria to the same regulations as on their importation into the mother country, with necessary allowance for the fact that certain fiscal monopolies which exist in France are not found south of the Mediterranean. The products of the assimilated colonies should enter free, with reservation of the exceptions declared in list E ; the products of non-assimilated colonies should pay, unless excepted, the duties registered in the minimum tariff. As a fact, the question first presented itself in the matter of Algerian tobacco imported into French colonies (for instance, into Indo-China). The Council of State, being consulted, gave on May 11, 1897, the opinion that these tobaccos should enter free, founding its opinion upon article 5 of the law of January 11, 1892. From the practical point of view, this solution of the problem was very favourable to Algeria, since it gave her a prospect of finding in the French colonies a market for her tobacco.

Some years later the question presented itself under a different aspect. Matches manufactured in Hanoi and tobacco from Indo-China were imported into Algeria. The Algerian customs claimed the right to tax them. The Ministry of the Colonies naturally protested : exemption, it claimed, should be reciprocal ; both justice and article 5 of the law of 1892 demanded such exemption. The government of Algeria, whose side was taken by the Ministry of the Interior and the Ministry of Finances, endeavoured to refute the argument of the Ministry of the Colonies. The question was submitted to the Council of State, which on November 30, 1909, reached a decision supporting the contention of the Ministry of the Colonies. The Council of

State was logical ; it considered that exemption, which, according to article 5 of the law of 1892, is the absolute rule in the relations between colonies, should benefit the imports of the colonies into Algeria as well as the imports of Algeria into the colonies. But the legislature took the part of the Algerian government. In the Finance law of April 8, 1910, it introduced an article, No. 27, which read as follows :

Colonial commodities, other than sugar and tobacco, produced by the colonies, the French possessions, and countries of the protectorate of Indo-China, shall pay in Algeria, under the same conditions, the same duties as in France, with the exception that the special Algerian tariff shall be applied when that is more favourable. Tobacco produced by the above-mentioned territories is liable in Algeria to the tax inscribed in the local tariff ; chemical matches from the same source shall pay the duty required by the national tariff in regard to matches imported on public account.

At the time of the discussion of this article 27 it was said that it was simply a question of confirming under a provisional title the practice that had been adopted by the Algerian government, and that the question of commercial relations between Algeria and the colonies would later be the subject of a thorough examination at the time of the discussion announced for the whole colonial tariff régime.

In reality, the question is one for the legislature to settle. It had merely been overlooked in 1892. *Algeria is not a colony*. Legal terminology and practical administration have established a very clear-cut distinction between the colonies on the one hand and Algeria and the protectorates of the north of Africa on the other. The desire to find a solution of the problem in the letter of the law impelled the Council of State to make an application to Algeria of article 5 of the law of January 1892. But such action was in conformity neither with the nature of things nor with the thought of the legislators. To classify Algeria with the assimilated colonies, was to pervert the meaning of the term. The law of January 11, 1892, does not speak of Algeria

in articles 3 to 6 which relate to the colonies ; it speaks of her farther on in article 7. The relation of Algeria to France is, whatever arguments may have been advanced to the contrary,<sup>34</sup> much closer than that of the colonies. In this connexion it would be easy to exhibit a whole series of characteristic differences.<sup>35</sup> If it was absolutely necessary to treat Algeria either as an assimilated colony, or as a part of France, it would have been much more consistent to treat her as a part of France. But happily the legislature is not reduced to such a dilemma. It may take the position that Algeria is neither a part of France nor a colony, but a part of minor Africa, for which it is proper to establish a special régime. New regulations are requisite. Let the colonies on the one side, Algeria on the other, make the best of their arguments. It will then remain for the impartiality of the national legislature to establish just regulations to which their commercial relations may be submitted.

*The Application to Algeria and to the Colonies of the Commercial Agreements between France and Foreign Powers*

In deciding that foreign products imported into our colonies shall be submitted, in principle, to the same duties as if they were imported into France, article 3 of the law of January 11, 1892, limited itself, in short, to universalizing the national tariff. From this it naturally follows that foreign powers, which would have in France the benefit of the minimum tariff, should also enjoy it in the assimilated colonies, as well as in Algeria. This solution offered no difficulty to the mind of the legislature of 1892. The decree of January 30, 1892, which authorized the application of the minimum tariff to merchandise coming from Sweden and Norway, from Belgium, Switzerland, the Low Countries, Greece, and consequently all the powers enjoying most-favoured-nation treatment, declared in article 1 that the minimum tariff should be applied to these products, 'in

France, including Algeria, beginning on February 1, 1892, and in the colonies, the French possessions and the protectorate countries, under the conditions established by article 3.' It does not seem that in this text the legislator would have taken the trouble to include by name Algeria and the colonies, unless the need had been felt of establishing beyond cavil the basis for the application of the minimum tariff. In later texts of similar purport, the provision regarding Algeria and the colonies became a mere form of expression, the omission of which, if it occurred, mattered little.<sup>36</sup>

Later, it was urged that it was perhaps extravagant thus to grant, freely, without any equivalent compensation, the benefit of the minimum tariff in the French colonies to powers that granted to French products advantages which were merely the equivalent of the concession of the minimum tariff in France proper. Hence arose a tendency to exclude the colonies from the scope of commercial agreements, or, at least, to base the grant of the minimum tariff in the colonies upon certain conditions or formalities. A first manifestation of this tendency is met in the commercial convention of July 31, 1900, between France and Haiti. Article 1 of this agreement declares that the colonial consumption staples coming from Haiti shall have the benefit, on their importation into France and into Algeria, of the minimum customs duties ; and article 2 grants a like favour to products coming from France and from Algeria into the republic of Haiti. This intentional silence in regard to the French colonies leaves them outside of the agreement. The new commercial agreement with Haiti, January 31, 1907, observed the same reserve and expressed itself in identical terms. Haiti, therefore, offers the first instance of a country which has the benefit of the minimum tariff in France and in Algeria without enjoying it in the colonies.

There were, no doubt, special reasons for thus limiting the effect of the agreement in the relations of France with



the republic of Haiti. Nevertheless a precedent was given by this convention of 1900. Some years later commercial agreements signed with the Balkan powers left the French colonies out. It seemed, no doubt, of no importance and somewhat childish to extend the benefit of the agreement to colonies with which the small countries of the Balkans had almost no business relations. In this way may be explained the provision of article 25 of the Treaty of Commerce and Navigation between France and Bulgaria, signed at Sophia, January 13, 1906 (promulgated by decree, January 13, 1907). This document reads as follows :

The provisions of the present treaty shall be applicable to Algeria. It is, moreover, understood that they shall become applicable to the French colonies or protectorate countries, for which the French government may demand the benefit of the treaty, two months after a notification to this effect shall have been addressed to the Bulgarian government by the representative of the French government at Sophia.<sup>37</sup>

An identical provision is found in article 22 of the commercial agreement of January 5, 1907, with *Servia* (promulgated by decree of November 7, 1907) and in article 15 of the treaty of commerce and navigation between France and *Roumania* of March 6, 1907 (promulgated by decree of July 31, 1907).

Thus it had become customary to distinguish between France and Algeria, on the one hand, and the colonies on the other. Even in a case where it is considered best to grant to the products of a certain country the benefit of the minimum tariff everywhere, this concession is confirmed by distinct provisions, some of which regard Algeria, and others the colonies. Thus the treaty of commerce signed with Switzerland, October 20, 1906 (promulgated by decree of November 21, 1906), contains an article, 25, paragraph 1 of which concerns Algeria, and paragraph 2 the colonies. The law of March 29, 1910, relative to the application of the customs tariff to products coming from the *United States of America* and from *Porto Rico* was followed by two distinct

decrees: one, of March 29, concerning the grant of the minimum tariff in France and in Algeria, the other, of April 4, concerning the grant of the minimum tariff in the colonies. At the time of the negotiations with *Portugal*, the Portuguese colonies were intentionally left out, as well as the French colonies. Portugal limited herself to the inclusion in the agreement of 'the adjacent islands of Madeira, Porto Santo, and the Azores', and France limited itself to the inclusion of Algeria. The decree of February 20, 1911, thus granted to Portuguese products the benefit of the minimum tariff in France and in Algeria, without granting it in the colonies.

The agreement of August 19, 1911, with *Japan* offers the most striking example of the interests that may be at stake in including a particular colony in the agreement or in excluding it. At the time of this convention Japan refused to make the concessions demanded by France in favour of rice produced in Indo-China. It was natural under these conditions not to impose upon Indo-China the application of an agreement from which she would derive no benefit. In consequence, article 19 of the agreement of Commerce and Navigation of August 19, 1911 (promulgated by decree of February 28, 1912), reads as follows :

The provisions of the present agreement are applicable to Algeria. They may later be extended as a whole, or in part, to the colonies, French possessions, or protectorates, by a declaration agreed to by the two governments. It is, moreover, understood that the present agreement is applicable to all the colonies and possessions of Japan.

Later, under the terms of this provision, France, in a note inserted in the *Official Journal* of October 13, 1912, approved an extension of the agreement to a whole series of colonies enumerated in the said note. But neither Indo-China nor the establishments of Oceania figured in this series.

Thus was established a new principle: that the grant of the privileges of the minimum tariff in France should be regarded as compensation for advantages accorded to the

products of France proper, while the grant of the privileges of the minimum tariff in the colonies should be regarded as compensation for advantages accorded to the products of those colonies. From this point it is only a step to a policy of separate agreements, some relating to the national domain, others, not to the colonies in general, but to the several colonies in particular. This step will doubtless be taken sooner or later.

*The Tariff Régime of Tunis.*—The protectorate of France over Tunis is based upon the treaty signed at Bardo, May 12, 1881. The word *protectorate* does not even appear in the text of this treaty. It is met for the first time in the convention of Marsa of June 8, 1883, article 1 of which reads as follows: 'In order to facilitate for the French government the exercise of its *protectorate*, His Highness, the Bey of Tunis, pledges himself to carry out the administrative, judicial and financial reforms which the French government shall consider desirable.' Among the financial reforms was naturally the establishment of a new tariff régime.

The new tariff régime of Tunis was in no way influenced by the tendencies toward assimilation that found general favour after 1883. This fact, which may be surprising to minds not familiar with Tunisian questions, is easily explained. The protectorate of Tunis was placed under the Ministry of Foreign Affairs. Accordingly it was easier for it to escape the influences which made themselves felt in ministerial departments animated by a different spirit. Above all, the protectorate system involved one important consequence: Tunisian legislation continued to be worked out on the spot under the name of the Bey. Therefore it evolved, in an independent manner, largely in response to local necessities. One author<sup>38</sup> has written that this legislative decentralization is 'the whole secret of the success of the Tunisian protectorate'. The Tunisian legislator was in the best possible position to resist the selfish interests of the French producers. It was much easier to bring pressure to bear, in Paris, upon

the making of laws and decrees concerning Algeria and the colonies. Finally, there must be added a reason which, during the first fifteen years of the protectorate, would in itself have been decisive. Tunis was bound by the treaties which she had previously made with different foreign powers, and could not offer any advantages to French products without granting the same advantages to the products of these powers. It would no doubt be absurd to maintain that these powers could still claim the benefit of the concessions made by Tunis, that they could still avail themselves of the most-favoured-nation principle to demand the same favours accorded by Tunis to France, after Tunis was placed under the French protectorate. But to put an end to this situation, it was necessary to obtain the consent of the governments interested. This was the object of the diplomatic negotiations that ended in the declarations of 1896 and of 1897. Austria-Hungary was the first to give her consent by the declaration of July 20, 1896 :

Austria-Hungary declares that she renounces the right to invoke in Tunis the privileges of the capitulations, and she will abstain from demanding there, for her consuls and her nationals, other rights and privileges than those accorded to them in France, in virtue of the treaties existing between Austria-Hungary and France. Nor does Austria-Hungary expect to claim the benefits of the arrangements established or that shall be established in regard to the customs and navigation between France and her protectorate, Tunis, provided that she shall continue to enjoy most-favoured-nation treatment in relation to all other powers.

Italy,<sup>39</sup> Russia,<sup>40</sup> Switzerland,<sup>41</sup> Germany,<sup>42</sup> Spain,<sup>43</sup> Denmark,<sup>44</sup> England,<sup>45</sup> Sweden and Norway,<sup>46</sup> the Low Countries,<sup>47</sup> and Greece<sup>48</sup> very soon consented to this reform in almost identical terms. With only two of these powers, Italy and England, were the negotiations particularly difficult, and France was obliged to consent to certain restrictive conditions. With Italy, it was necessary to enter into an agreement that the new duties that might be established in Tunis should not be higher than those called



for in the minimum French tariff, with the exception of those mentioned in the tariff under the numbers 88 and 110 (convention of September 26, 1896, art. 9).<sup>49</sup> Even in the terms of the agreement, however, this engagement terminated on October 1, 1905. As far as Italy is concerned, Tunis has long since recovered her liberty of action.<sup>50</sup> England stipulated that her cotton goods should not be made to pay a duty higher than five per cent of their value at the port where they are unloaded.<sup>51</sup> This provision was to remain in force up to December 31, 1912, and, after that date, until the end of the sixth month, counting from the day upon which one of the contracting parties should have notified the other of its intention to terminate the agreement (agreement of September 18, 1897, art. 2). Since this arrangement has not been denounced by France, it continues to exist. The denunciation of this article 2 of the arrangement is one of the demands of the protectionist party in France.<sup>52</sup>

With the exception of these two restrictions, Tunis had in 1897 recovered her liberty of action in regard to customs matters. She very soon availed herself of it to give herself a new tariff system. This was the object of two decrees dated May 2, 1898. Three ideas sum up the spirit that inspired them: (1) to give privileged treatment to French products; (2) not to diminish the receipts indispensable to the maintenance of budgetary equilibrium; and (3) not to disturb the business relations between Tunis and the countries with which she had always carried on trade. These ideas were moderate and practical.

The first of these decrees fixed the duties levied in Tunis on imports and exports. Import duties are indicated in list A, which contains 827 numbers. Some are specific, others *ad valorem*. The latter are usually eight per cent, as in the old tariff. A rather large number of products enter free. On the other hand, there are some prohibitions made for sanitary or police reasons.

Export duties are indicated in list B. These seem destined

gradually to disappear. Their number was considerably reduced in 1898 and some have also been abolished since. These duties are all specific and the unit on which they are laid is 100 kilogrammes. At present they fall only on trinkets (2 fr. 55), washed sponges (20 fr.), unwashed (10 fr.), the residuum of olives (35 c.), olive oil (6 fr., with the addition of a tax of 1 fr. 50 which did not exist at first except in certain districts<sup>53</sup> and which has been generalized by a decree of December 31, 1909), oil from the residuum of olives (1 fr. 50), fresh olives (4 fr.), goats and kids (6 fr.), sheep and lambs (5 fr.), colts of less than four years and a half (50 fr.), fillies and mares of less than six years (75 fr.), fresh fish (2 fr.), and cuttle-fish (12 fr.).

As a general rule, products entering Tunis from France and Algeria pay the duties registered in list A of the decree of 1898. By exception, a certain number of them enter Tunis free. The second decree of May 2, 1898, gives a list of these articles. These exceptions concern chiefly live animals, sugars, iron goods, yarns and textiles, embroideries and clothing, machines and mechanical appliances, metal-work, &c. Wines from fresh grapes pay only ten per cent *ad valorem*. Foreign merchandise, nationalized by the payment of duties in France or in Algeria, that are afterwards imported into Tunis, do not receive the benefit of these advantages.

Two observations are required to complete this statement of the tariff régime of Tunis :

1. A decree of January 28, 1898, still in force, enumerates (art. 1) certain objects which are admitted free without distinction as to origin : the baggage and effects of travellers, household belongings of persons who come to establish themselves in Tunis, tools and agricultural implements brought by colonists, trousseaus, objects intended for collections in the museums and libraries.

2. A decree of May 27, 1895, regulates the conditions for admission under bond into Tunis. Special decrees indicate the products the admission in bond of which is authorized.

These products are oil-cakes of colza (decree of June 21, 1896) and castor-oil beans (decree of April 22, 1900) destined to furnish material for the oil factories during the dull season, lumber destined for the making of packing cases, empty casks and sacks (decree of July 8, 1908), the cocoa and sugar destined for the fabrication of chocolate (decree of May 24, 1911).

*The Position of the Products of Tunis on their Importation into France.*—At first the products of Tunis were treated by the French customs like foreign products. They did not even enjoy most-favoured-nation treatment. Thus Tunisian oils paid a duty of four francs per 100 kilos, while oils coming from Spain paid only three francs. This situation, which was accepted without question before 1881, became absolutely anomalous upon the establishment of the protectorate. The first French colonists, counting on the fact that more natural commercial relations would soon be established, had proceeded boldly with the development of their interests. But one year passed after another, and the expected changes failed to take place. The French market remained closed to the products of the colonists. Indeed, it was to the advantage of the Tunisian producer to ship his products to France by way of a foreign country, so far was he from enjoying privileged treatment.

Not until 1890 did the colonists succeed in making themselves heard. The French law of 1890 gave them partial satisfaction. This law admitted free into France, not, indeed, all Tunisian products, but the most important ones. These were 'grain, olive oil, oil from the residuum of olives and the residuum itself, horses, asses, mules, cattle, goats, and pigs, fowls living and dead, game living and dead' (art. 1). Wine from fresh grapes, under 11·9 degrees, was admitted on payment of a reduced duty of sixty centimes per hectolitre (art. 2). Other products were subjected to the lowest rates payable on similar foreign products (art. 3). The word 'foreign' should be emphasized: Tunisian pro-

ducts did not enjoy the advantages granted in France to colonial products according to list E annexed to the law of 1892.

Article 5 hedged these favours about with rigorous conditions in order to prevent foreign products from entering France via Tunis. These conditions were five in number :

1. Tunisian products were to be imported directly into France and without putting into a foreign port. They might touch only at Corsican or Algerian ports.

2. They were required to leave Tunis only by certain ports named for that purpose. These ports, eleven in number, were those of Tunis, La Goulette, Bizerte, Sousse, Souissa, Monastir, Mehdia, Sfax, Gabes, Djerba, and Tabarka.

3. Tunisian products were to be accompanied by a certificate of origin given by the civil controller and were to be viséed on shipment by a collector of the customs of French nationality.

4. They had to be carried by French ships.

5. Every year, the amount of each product that might be imported into France free of duty was to be fixed by decree of the President of the Republic.

This last condition has created serious difficulties. Agricultural production in North Africa fluctuates very considerably with variations in the rainfall. At times it has happened that the quantities fixed by the annual decree proved to be insufficient to permit Tunis to sell in France the excess of her production over the needs of local consumption. On such occasions the government might issue a decree increasing the quantities admitted free. This occurred in 1904. A decree of July 11, 1903, had fixed at 800,000 quintals the amount of wheat, and at 450,000 quintals the amount of barley that might be admitted free of duty into France from July 1, 1903, to July 1, 1904. A second decree, of May 5, 1904, increased these quantities, for the same period, by 350,000 quintals for wheat and 200,000



quintals for barley. This procedure brought forth energetic protests from certain members of parliament. They asserted that the government was authorized to make only one decree annually for each product and demanded a promise that this interpretation of the law should be followed in the future (motion of MM. Debussy, Castillard, and Plichon, in the Chamber of Deputies, session of May 20, 1904).

Under the conditions the demands of the French parliament were not unreasonable. The intention of the authors of the law of 1890 had been to permit Tunis to sell in France the excess of her production over her own consumption. But the Tunisians had every reason for attempting to sell in France all the wheat they produced, leaving their own consumption to be covered by foreign supplies. Between the price of wheat in Tunis and the price of wheat in France there was, in fact, a difference equal to the sum-total of the duty of seven francs collected by the French customs, and no corresponding duty was levied in the protectorate. It was not even necessary for the Tunisians to buy wheat from a foreign country; they had only to import from Marseilles flour manufactured in bond from foreign wheat.

In order to break up this abuse, the government adopted a twofold reform: (1) It admitted into France, free from duty, all cereals and their derivatives of Tunisian origin, under reservation only of the formalities called for by article 5 of the law of July 19, 1890; (2) At the same time, and as a condition to this privilege, it stipulated that similar foreign products, on their importation into the protectorate, should pay the duties of the French minimum tariff. This reform was put into effect by the French law of July 19, 1904, and by the decree of the Bey of July 9 of the same year.

A similar measure was taken in 1907 for the purpose of increasing the quantity of beans from Tunis that might be admitted free into France. A decree of November 27, 1907,

established the rule that French beans should be admitted free into the protectorate and laid upon beans of foreign origin imported into Tunis duties equivalent to those of the French minimum tariff.

These measures are remarkable on account of the tendency which they reveal. They constitute a first step in the direction of tariff assimilation. To establish assimilation, it would be sufficient to generalize these provisions, which have hitherto remained exceptional.

## CHAPTER VI

### NEW TENDENCIES. THE DOCTRINE OF COLONIAL CUSTOMS PERSONALITY

*Causes of the Evolution of Ideas.*—On the enactment of the law of January 11, 1892, it seemed as if the cause of the colonies was definitively lost. The iniquitous régime created by this law raised in the capital only rare and isolated protests which remained without echo.<sup>1</sup> Public opinion took no interest in reparation for an injustice of which it knew nothing. Not until 1906 was the reform campaign undertaken, the ultimate triumph of which we now have reason to predict.

The causes for the change in public opinion are diverse and manifold. But the essential reason for the appearance of the campaign for reform is found in the fact that the colonial party has become more numerous and powerful, and has become convinced that success is not impossible. In 1892 this party hardly existed. In 1894 merchants interested in colonial commerce founded, for the defence of their own interests and for that of the colonial cause in general, the French Colonial Union. The Colonial Union soon became an active centre of action and of agitation. It established an organ (*The Colonial Fortnightly*),<sup>2</sup> for the defence of the new ideas that it represented. The members learned to know each other, to exchange ideas, to unite their efforts. The Colonial Union profited largely by the personal influence of the men whom it had the wisdom to place at its head. It overcame initial prejudices, organized congresses, and secured active friends in parliament and in the press. Among the most influential men in the Chambers there are many to-day who are devoted to the colonial cause. The colonial party has not only its own journals, but also has access to some of the

great dailies<sup>3</sup> and finds expression for all the activities it can put into motion. Moreover, external circumstances lent themselves admirably to this campaign in favour of the revision of the colonial tariff régime.

After the creation of the Ministry for the Colonies in 1894, the doctrine of assimilation lost its former supremacy and began to fall into a growing disrepute. As always happens, the reaction went to extremes. From 1878 to 1885 the assimilation policy had carried everything before it, and in the colonial congress of 1889 the idea of assimilation still prevailed. But in the congress of 1900 a change of view made its appearance. After this congress the prevailing view was not only that the colonies should not be given the same treatment as the home territory, but further, that they should not all be treated alike. Each colony, it was urged, has needs peculiar to itself and should be subjected to a particular régime specially adapted to it. Assimilation was no longer the magic word, representing an ideal to pursue. It had ceased to be fashionable, and men hesitated to avow faith in it. Accordingly, what was once a triumphant formula has now come to be a reproach. The first pages of the report presented by M. Jules Harmand upon the revision of the colonial tariff régime to the congress of the old colonies in 1909 are, from this point of view, quite characteristic. In his view, it was less a question of a new reform to be established than a new battle to be won over the defenders of assimilation. After showing that we are tending more and more towards autonomy, he expressed the conviction that 'the ground gained would not again be lost', that 'the first successes promise others', and he added, 'that the tariff question presents one of the most efficacious weapons available to make a breach in the superannuated edifice of our colonial organization.'

Again, the irony of fate had baffled the hopes of the legislator of 1892. As we have seen above, the legislator regarded the assimilated colonies as the model upon which the other



colonies would soon be patterned. But the comparative experience of some twenty years had turned to the confusion of the legislator. The most important of the non-assimilated colonies, the French possessions in western Africa, had, as a result of various causes, developed with a marvellous rapidity. This colony has caused the capital but a minimum of anxiety and expense, and has become the favourite in public opinion. On the other hand, the two most important of the assimilated colonies have not had the same good fortune. Madagascar, at first the subject of immoderate popular over-valuation, has fallen into equally immoderate disesteem. This colony has developed slowly and seems to promise only a modest future. Indo-China has always remained a source of uneasiness. There exists an ill-concealed fear that this colony may in the end escape from us. It is a curious fact that the work of the governors-general who have succeeded one another in Madagascar and in Indo-China has been much debated ; that of MM. Roume and Ponty in western Africa has practically escaped criticism. Consequently there has appeared a general tendency to say that it is French West Africa that should serve as an example, and that it would be well to imitate the policy followed in this part of our colonial domain. The application of this mode of reasoning to commercial matters inevitably leads to a condemnation of tariff assimilation.

Finally, experience has shown that, from many points of view, tariff assimilation involved serious embarrassments. The policy of protection pursued by France in her colonies had become a powerful argument invoked by foreign governments seeking to raise objections to the growth of our colonial domain. The fear that the door would be closed caused Europe to dread to see the key in the hands of France. The tariff policy followed by the other powers in their colonies was perceptibly less strict than that of France. This put the French government in a bad position, particularly in its discussion of African questions with Germany. Accordingly

it began to be urged that it would be much better to show greater liberality and to arouse fewer prejudices.

With time, tariff assimilation appeared to be a formula too narrow, of a nature capable of producing unforeseen consequences, regretted even by those who had favoured the policy. Under the shelter of our general customs tariff, new industries had been created in Indo-China. These industries were capable of entering into competition with similar French industries, and under another policy they would not have been established. Again, assimilation had led to the uncompensated extension to the colonial market of the advantages granted in the national market to the powers with which France had signed new commercial agreements. Thus the protectionist party found itself caught in its own trap. It was therefore forced to recognize that tariff assimilation was not the ideal formula, responding to all needs, and to admit that there might be something to improve in it.

Such are the general reasons that have determined the course of public opinion during recent years. Those who sought to remedy the injustice committed by the legislature of 1892 have turned their efforts in two directions, not opposed, but different. Some have demanded the abolition of the reduced duties collected in France on colonial commodities. The more ambitious reformers have brought forward the idea of 'tariff personality' \* for the colonies.

### *The Abolition of the 'Half-Duty' on Colonial Products*

The abolition of the 'half-duty' on the secondary colonial commodities has been demanded with special insistence by the inhabitants of the old colonies (Antilles and Reunion) and by their representatives in parliament. The latter have

\* 'Personnalité douanière.' The phrase has no exact English equivalent, but its content is readily intelligible. It is applicable to a system adjusted to the specific needs and interests of each colony, and differs from tariff autonomy only in that it derives its authority from central instead of local sources.—Trans.

advanced this very simple argument : Let us be logical ; the colonies that support the cost of tariff assimilation should have the advantages of it. Since French products enter the colonies free of duty, the products of the colonies should likewise enter France free of duty. If it is impossible to abolish the duty on colonial sugar which is levied to countervail the excise taxes collected on domestic sugar, it is at least possible to abolish the half-duty levied on coffee, cocoa, and the other secondary colonial commodities. It is highly offensive to the inhabitants of the colonies that they should be 'treated as French when they buy and as half-French when they sell'.<sup>4</sup>

Numerous bills with this object in view have been presented in the Chamber of Deputies by the representatives of the old colonies. The first of these was the bill proposed by Isaac, Deproge, and Caesar Lainé (extra session of 1893, sitting of November 25, annex 46). A second was the Guieysse bill on the abolition of duties on coffees (extra session of 1904, sitting of December 14, annex 561). Again, a resolution was offered, signed by a number of deputies (ordinary session of 1907, sitting of January 18, annex 667), and another by Archambaud (extra session of 1907, sitting of November 21, annex 1322). None of these propositions came to anything, but the tenacity with which the idea was taken up again by each legislature was decidedly significant.

The idea was again brought forward in 1909, in the Congress of the Old Colonies, where it was natural that it should receive a very favourable reception. The government appropriated it, and the bill on the establishment of a colonial tariff régime, introduced in the Chamber of Deputies on December 12, 1912, contained, among other provisions, an article exempting from all customs duties, on their importation into France, products originating in the assimilated colonies, with the exception of sugars and molasses, other than that destined for distillation, and peppers. On account of the difficulty of carrying the project as a whole, the government decided, some months later, to separate from it, with

the consent of the commission of customs, the provisions relating to the exemption of colonial consumption staples from the tariff duties. With respect to these provisions there appeared to be general agreement; accordingly it was believed that they would be voted without opposition.<sup>5</sup> As a fact, the bill thus amended was passed without difficulty; it became a law on August 5, 1913.

The readiness with which this reform was adopted is explained by the following reason. The protectionist party judged it good policy not to oppose it. The Society of Agriculturists of France, which is in our country one of the citadels of protection, had even announced in its meeting of February 24, 1913, an opinion favourable to the project. The protectionists realized that it was impossible to avoid making certain concessions to the colonial party. They hoped to disarm it by granting it cordially this first concession, and counted that the matter would stop at that. The abolition of the half-duty was besides a logical consequence of the assimilation policy, and was in no way a contradiction of the doctrines of protection. Quite the contrary, this abolition resulted in creating a strongly protected position in the French market for commodities that were in no way in competition with European products. Was this not the best way to prevent those who would be benefited by it from criticizing the system of protection? Finally, by granting this favour to the products of the assimilated colonies alone, the protectionists counted on checking the development of colonial opinion in the direction of 'tariff personality'. The fear of losing the benefit of exemption from the half-duty might be expected to deter the colonists from demanding relief from the régime of assimilation.

The abolition of the half-duty, which no one had dared to oppose in the Chambers (the partisans of commercial liberty could not attack the colonists, who were their allies), did not escape certain objections from the press on the part of the economists and financiers of the mother country. To the



financiers this abolition appeared to be a future menace to the public finances. For the present, to be sure, the reduction in the receipts of public revenue would not be very serious, since the old colonies provided France with only a very small part of the colonial commodities consumed. In 1912 the duties collected on the coffees of the French colonies amounted to 1,818,747 francs, and the duties on cocoa to 807,692 francs. The whole sacrifice thus amounted to two and a half millions in round numbers. But what would happen in the future? Let it be supposed that the cultivation of the secondary staples would remain what it is to-day in the old colonies. In such case, if these countries should remain specialized to a single product, there would be little gain in the abolition of the half-duty. The number of producers benefiting by this abolition would be too few. On the other hand, let it be supposed that the production of coffee, artificially encouraged, would again rise to importance in our old colonies. French colonial commodities would gradually supplant foreign colonial commodities in the French market. What would then become of the revenues derived from foreign coffees (147,775,901 francs in 1912) and from foreign cocoa (46,975,600 francs in 1912)? Let us make an extreme assumption. Let us suppose that finally foreign colonial commodities are completely supplanted in the French market by similar commodities from the French colonies: this would mean an annual deficit of 200,000,000 of francs in the future budgets. It was further urged by the financiers that it was natural and reasonable that colonial commodities, such as coffee, cocoa, tea, or vanilla, should be subject to a consumption tax for the same reason as wine or beer. The half-duty levied up to this time on these commodities was not in reality anything else. This consumption tax was, indeed, collected by the administration of customs, but this was because the customs administration was best fitted for the work. This circumstance should not cause us to lose sight of the real character of this tax.

The liberal economists, on their side, objected to the extreme protection which the abolition of the half-duty would give colonial commodities. Differences in favour of the colonial producers of 104 francs per 100 kilos. on cocoa, of 136 francs on coffee, of 208 francs on tea, of 416 francs on vanilla—are these not excessive? Henceforth the colonial producer would be directly interested in the maintenance of the exorbitant duties whose abatement is so desirable in the interest of the home consumer.

This will explain why some of the best friends of the colonial cause (notably M. Paul Leroy-Beaulieu)<sup>6</sup> viewed with regret a reform which they believed to be undesirable. Their fear is that this first success may cause the abandonment of the movement for more general reform. But the colonists have regarded it as a prelude to new victories. They hope that their protectionist adversaries, who have believed it best to retreat at this first attack, will not be able to resist a second attack.

### *Aspirations towards Tariff Personality in the Colonies*

‘Tariff Personality’ is the new formula which has been put forward in recent years by the adversaries of assimilation. They have purposely avoided speaking of tariff autonomy. The abuse of tariff autonomy by the Councils-General of Reunion and of the Antilles, under the *senatus-consultum* of 1866, had left an unpleasant and disquieting impression. By demanding tariff personality and not autonomy, the adversaries of the law of 1892 wished to show clearly that they were not demanding an increase of power in regard to the customs for the Councils-General, but simply the establishment of a special tariff régime for each colony, while leaving to the central power the function of working out the reform.

The idea was formulated for the first time at the meeting of the Colonial Congress held in the month of September 1906, on the occasion of the Colonial Exposition at Marseilles.

Upon the report of M. Adrien Artaud, member of the Chamber of Commerce of Marseilles, the congress adopted the following resolution submitted to it by the third section :

The Section declares :

That the law of January 11, 1892, has not accomplished the desired customs unification of the mother country and the colonial territories ; that it has operated very imperfectly and has varied in its effects from colony to colony, in respect to the development of French exports to the colonies.

That, for the natives as well as for Europeans, it has increased the cost of living in our possessions and has consequently injured their production.

That the abolition of the customs receipts in the colonies has necessitated, in order to maintain the balance in the local budgets, increased rates of wharfage, and the establishment of direct taxes or of monopolies that have profoundly disturbed the economic life of our distant possessions.

It recognizes, in regard to the free admission, partial or total, of colonial products in France, that the logical consequence of the law of January 11, 1892, establishing a tariff union between France and her colonies, should be total exemption, that is to say, the free exchange of products between the colonies and the mother country.

It declares that export duties constitute an antiquated form of revenue collection, which checks the development of exportation, that is to say, the expansion and prosperity of the countries subject to these duties.

It concludes that the best tariff régime would :

1. Renounce all unification and systematic centralization, as the experience of the application of the law of 1892 has shown that such a policy is impracticable.

2. Abandon altogether the false principle of the economic subordination of the colonies to the mother country by recognizing that the real interest of the mother country lies in the prosperity of the colonies.

3. Decree the autonomy of each colony or group of colonies, from the economic standpoint, and regulate the tariff régime of each colony or group of colonies in the way best suited to their interests, under the following essential forms and conditions :

- (a) The right of the colony to urge the measures and taxes judged by her to be the most favourable for the development of her wealth ;
- (b) The granting of these measures by the central government,

under reservation of its general interests, by a decree rendered in the form of an administrative order ;

(c) The fixing of a suitable duration for the régime so established, so as to permit the measures to take full effect and to permit the parties interested to derive the greatest advantage from them ;

4. Group the small colonies in general governments, so as to permit them to escape from purely local influences in urging the measures and taxes most favourable for the development of their wealth.

These resolutions of the congress of Marseilles sum up clearly the demands that the colonial party has since renewed, on every opportunity, with extraordinary insistence.

In the month of August 1907 the Colonial Congress of Bordeaux, after a report by M. Milhé-Pontingon on the revision of the tariff régime, expressed the wish : ' that action might be taken either by the Ministry of the Colonies, or by the French Colonial Union, or by both, together with the local administrations, the Councils-General or Local, the Chambers of Commerce or of Agriculture, and the professional associations of the colonies, towards instituting an investigation of the results of the application to the colonies of the régime instituted by the law of January 11, 1892, and towards determining the basis for the tariff régime most favourable to the economic development of our colonies.' Then, ' taking up again the views sustained and the resolutions adopted by the Colonial Congress of Marseilles in September 1906,' he declared :

(a) That the true interest, material and moral, of the mother country lies in the prosperity of her colonies ;

(b) That each colony or group of colonies should freely formulate or adopt the régime which best suits its own interests.

The question was taken up a third time in the Congress of the Old Colonies held in the month of October 1909. It was the subject of a remarkable report by M. Jules Harmand. The terms employed were more urgent :

The Congress :

1. Disapproves of the application to the colonies of the law of January 11, 1892, as useless and as prejudicial to the interests both of the mother country and of its possessions ;



2. Considers, in the matter of the admission, free of duty, partial or total, of the colonial products into France, that the necessary consequence of the law of January 11, 1892, establishing a tariff union between France and her colonies, should have been total exemption, that is to say the free exchange of all products between the colonies and the mother country.

3. Utters the wish that there may be granted, to each establishment and to each group of establishments, the right and the means of discussing their customs tariffs with the mother country ;

4. Resolves that the special customs tariff in each colony, after ratification by the government of the Republic, be established for a period of at least twelve years ;

5. Recalls to mind, expressly, the resolutions adopted by the congress of Marseilles in 1906 and of Bordeaux in 1907 and reaffirms them.<sup>7</sup>

The Congress of the Old Colonies adopted a resolution that the French Colonial Union should take the initiative of creating a grouping of the different colonial associations of the mother country and of the colonies, as well as of the different bodies formed for the purpose of representing and defending the economic interests of the colonies. The object of this grouping was to secure from the public powers the revision of the colonial tariff régime. In execution of this resolution, an Inter-Colonial Federation was formed on February 25, 1910, M. Paul Deschanel presiding.

The Congress of Eastern Africa was held in Paris in October 1911. The question of the reform of the tariff régime was not the subject of a very thorough examination. The Congress, however, indicated its opinion 'by declaring the adherence of Madagascar' to the reform policy. But in the Congress for the Defence and the Development of External Commerce held in Paris in the month of June 1912, the question of the tariff régime of the colonies again gave occasion for thorough discussion. The resolutions adopted by this congress, upon the report of M. Adrien Artaud, reaffirm the resolutions adopted by the preceding congresses.

As a matter of fact, the commercial centres showed themselves no less in earnest than the colonial interests. The

Chamber of Commerce of Havre called for the abandonment of the colonial régime instituted in 1892. The Chamber of Commerce of Lyon, in a more moderate way, also pronounced in favour of a more liberal policy. The Chambers of Commerce of Marseilles and of Paris declared themselves very distinctly in favour of tariff personality. The opinion of the Chamber of Commerce of Paris, which was especially important, was carefully drawn up and very clearly put: 'Tariff assimilation has been as dangerous as political assimilation. . . . The régime of 1892 has checked the development of the colonies and has impoverished them.' The Chamber of Commerce of Paris concluded by demanding that the colonies be granted the initiative in the matter of their tariffs, under the control of the central government.

The public powers could not remain insensible to this current of opinion. After the congress of Bordeaux, M. Millès-Lacroix, Minister of the Colonies, in a circular of January 28, 1908, ordered an inquest upon the results of the application of the law of 1892 to the colonies. A decree of February 16, 1909, instituted an extra-parliamentary commission to analyse the replies elicited by the inquest. This commission, which was from the first criticized in colonial circles on the ground that it was chiefly composed of officials, worked rather slowly. Finally, it drew up the terms of a new circular (of June 21, 1910), which was addressed with a precise and detailed list of questions to all the colonies and to the different groups, both in the mother country and in the colonies. But the commission, pressed to finish its work, decided to offer its conclusions without waiting for the results of this inquest.

The reporter of the commission, M. Carrière, defended the maintenance of the principle of assimilation, and proposed only some modifications. But very soon the replies from the colonies and from the Chambers of Commerce began to arrive. They were in complete opposition to the conclusions of the report. Thereupon the Inter-Colonial Federation

redoubled its efforts to exert influence upon the commission of customs of the Chamber of Deputies, which was deeply impressed, in spite of itself, by the whole series of reports sent to it. On April 3, 1911, M. Thierry delivered a remarkable discourse at the tribune of the Chamber, in favour of the revision of the colonial tariff régime. It has been said of this discourse that 'it broke the spell that had made men believe that the theory of protection was invulnerable'.<sup>8</sup> On May 18, 1911, the commission of the colonial tariff régime was reconstituted on a larger plan by the Minister of the Colonies, M. Messimy. The Senate reporter of the colonial budget of 1911, M. Gervais, dwelt at length upon the necessity for a reform.

The matter of greatest urgency was to come to the assistance of the little colony of Saint-Pierre and Miquelon, completely ruined by the application of the law of January 11, 1892. A bill withdrawing this colony from the list of assimilated colonies, laid before the Chamber on March 27, 1911, was voted on July 3, 1911. In the Senate it became the subject of a report by M. Meline, who did not dare to oppose it, and it was adopted in the sitting of November 7, 1912. It became the law of November 11 following, making the first breach in the edifice erected twenty years before.

Some weeks later the government laid before the Chamber of Deputies (sitting of December 12) an important bill relative to the establishment of the colonial tariff régime.<sup>9</sup> This bill contained two essential provisions. The first related to the abolition of the half-duty on the secondary colonial commodities. We have seen above<sup>10</sup> that this provision, separated from the main project, became the law of August 5, 1913. The second provision proposed to place Gabon and New Caledonia in the group of non-assimilated colonies. It also added to this group the islands of Kerguelen, Saint-Paul, and Amsterdam, which were not subject to any formal regulations. The provision relative to these islands offered only a very mild interest and was of a nature to raise no

difficulty. No one thought of demanding the assimilation of small islands, hardly inhabited, lost in the southern part of the Indian Ocean, whose commerce amounted to nothing. But the provision relative to Gabon and New Caledonia was very important. The government admitted that, at least so far as these two colonies were concerned, the legislature of 1892 had taken the wrong road. The official explanation of the bill, while not attacking the principle of tariff assimilation, proved that it had been a mistake to apply this principle to these two colonies. It invoked the aid of geographical reasons: for New Caledonia, isolation and the remoteness of the colony; for Gabon, the anomaly there is in including this colony among the assimilated colonies, when all the other French territories of western Africa and of Equatorial Africa appear in the group of non-assimilated colonies. Thus, without raising the question of principle, and without taking part in the controversy which divided the supporters and adversaries of the law of 1892, the government concluded, for reasons excellent in themselves, partially to abandon the system of tariff assimilation. It is clear that it was absurd to assimilate a colony situated in the antipodes, like New Caledonia. And the development of our African empire proves incontestably that all the reasons, heretofore making impossible the assimilation of French West Africa, apply equally to Gabon: the impossibility of guarding such extensive and ill-defined land frontiers, and the necessity of avoiding all measures that might entail the diversion of the commercial intercourse between Europe and the interior of the African continent to the ports of the neighbouring foreign colonies—an intercourse now naturally carried on by the ports of our colonies.

The bill contained, moreover, certain secondary provisions having as an object the filling of various gaps, of putting an end to juridical difficulties or of doing away with illogical provisions. The greater part of these secondary provisions was pervaded by a liberal spirit—for instance, that authorizing



certain modifications in the principle of direct importation. A few, however, were rather of a nature to please the protectionists, such as article 3, the second paragraph of which repealed article 30 of the law of May 16, 1863, relative to admission in bond.<sup>11</sup>

It is true that this bill has not yet come up for discussion. It has been delayed by the slowness, occasionally intentional, with which the commissions have worked. But, nevertheless, the introduction of the bill constitutes an important step. It would be rash to affirm that the bill will be voted just as it stands. But it seems now, to far-seeing minds, that the force of events will lead, after a brief delay, to the disassimilation of Gabon. This second breach once effected, resistance will become more difficult for the defenders of the law of 1892. That is just what the protectionists fear.

### *The Opposition and the Demands of the Protectionists*

The campaign in favour of Colonial tariff personality, carried on in this way by the French Colonial Union, by the Colonial Institute of Marseilles and by a whole constellation of publicists devoted to the colonial cause,<sup>12</sup> encountered a stubborn resistance in the camp of the protectionists. The protectionists were not content to limit themselves to a negative opposition ; they took the offensive and demanded new restrictions. But these reactionary attempts have down to the present remained without success. This, however, is easily understood. The advantages won by the protectionists in 1892 were so considerable that it became difficult afterwards to push them further. Nevertheless, they have tried to do so.

The protectionists soon became alarmed over the competition with the national industry of the new industries established in the colonies. Such competition, in their eyes, is intolerable. 'In a good colonial organization,' wrote M. Melinet,<sup>13</sup> 'colonial production should limit itself to

furnishing the mother country with raw materials, or products not similar to those we produce. But if colonial production renounces this function and seeks to enter into a ruinous competition with us, it becomes a dangerous adversary.' Starting out with this idea, the protectionists demanded the establishment of a *colonial licence* designed to protect the European manufacturer, who bears heavy taxes and who pays very high wages, against the competition of the colonial manufacturer who has nothing to pay but some light taxes and who can find on the spot cheap native labour. This idea is developed in the official explanation of a bill laid before the Chamber of Deputies on July 9, 1900, by MM. Melinet, Boucher and Krantz.<sup>14</sup> But the authors of this bill, realizing that this excessive demand had no chance of being granted, limited themselves to asking for two more modest reforms.

First, they asked that a limit should be put upon the application of the general regulation according to which products of French colonies are admitted free of duty into other French colonies. This regulation should be applied, they said, only to the products of assimilated colonies. As for the products of non-assimilated colonies, it would be logical to grant them simply most-favoured-nation treatment, which is what they enjoy in the national market. Exemption from duty is the result of assimilation; the benefit of this exemption should be reserved for the colonies bearing the costs of assimilation. What the authors of the bill were really seeking was to keep the manufactured products of French India from the Indo-Chinese market. The idea that industries, established at Pondichéry or at Chandernagor by foreign capitalists, could enter freely into competition, in the Indo-Chinese market, with the national industry was intolerable to them. They believed that they had found a fissure in the work created by them in 1892; it must be stopped up as soon as possible.

They asked, in the second place, that Senegal and Guinea

be classed among the assimilated colonies. The growing importance of the market of French West Africa rendered particularly desirable, in their eyes, the application of the national customs tariff to this part of our colonial empire. If, in the Ivory Coast and in Dahomey, international agreements, constituting a veritable bondage for France, rendered assimilation impossible, at least the policy could be applied in the parts of West Africa where the French government had retained its liberty of action.

Since that time, the protectionists have formulated two other requests. They demand, first, that the *ad valorem* duties in operation in the colonies be replaced by specific duties. The *ad valorem* duties, they say, offer to the national producers a guarantee that is always insufficient, and often illusory. The invoices, according to which such duties are collected, are fictitious or at least represent heavy undervaluations. Even when such duties are collected on a basis of official valuations, the discretion enjoyed by the colonial administration to take, as a base, prices that are too low, permits it to reduce surreptitiously the protection due to the French producer.

Finally, the protectionists have demanded that the exceptions made in the national tariff in the assimilated colonies be granted, hereafter, not by a decree but by a law. M. Meline considers that this is a guarantee which must be obtained. To require the intervention of the Chamber of Deputies and of the Senate seems to him to be the best way of thwarting the wishes of the colonies. The slowness of parliamentary procedure, the indifference of the Chambers in regard to colonial questions, would thus become trump-cards in the game of the protectionists. All these demands are found condensed in a resolution adopted on May 19, 1913, by the *Association of French Industry and Agriculture*,<sup>15</sup> the president of which, down to the present, has been M. Meline, and which has been in our country the citadel of protection. This resolution is worded as follows:

## THE ASSOCIATION OF FRENCH INDUSTRY AND AGRICULTURE

In view of the fact that the national production, in compensation for the burdens which it bears and for the contribution which it makes to colonial expenses, has a right in all our colonies to a generously preferential treatment ; and

In view of the fact that French industry, having provided itself with equipment with the view to providing for our colonial markets, has the right to count upon a security which it cannot have so long as the régime of decrees continues, which leaves to arbitrary administrative action the power to determine the exceptions to the minimum tariff for the so-called assimilated colonies, and the power of establishing tariffs for the other colonies ; and

In view of the fact that the danger of such a procedure has been recently proven by a proposed decree concerning Madagascar having a no less serious object than the lowering of the duties on cotton fabrics and on certain metallurgical products to fifty per cent of the duties of the minimum national tariff, and the suspension in addition, during five years, of all taxation upon thirty-three articles connected with mechanical constructions ; and

In view of the fact that the bill relative to the establishment of a colonial tariff régime presented on December 13, 1912, by the Minister of the Colonies does not take sufficient account of the preceding considerations ; and

In view of the fact that, contrary to certain assertions, the régime of assimilation has been, on the whole, favourable to the colonies subjected to it, since the balance of trade between the mother country and the colonies runs in favour of the latter ;

Resolves :

1. That no colony should be withdrawn from the existing group of assimilated colonies ;

2. That the régime of assimilation, with a maximum-minimum tariff, should, on the contrary be progressively extended to all the colonies where its application is considered possible ;

3. That, meanwhile, wherever international agreements permit, the duties on foreign merchandise on their importation into our colonies should be raised to a level capable of insuring to French industry the protection necessary.

4. That the *ad valorem* duties, as a permanent source of fraud, should wherever they exist be replaced by specific duties ;

5. That hereafter the legislative power alone should be competent to determine the exceptions to the minimum tariff and to establish all colonial customs duties.



The opposition thus inaugurated by the defenders of the régime instituted in 1892 has not as yet amounted to anything. Indeed, the protectionists did not in reality have great confidence in its success. No doubt, they would be satisfied if they could maintain their present position.

But an important event has occurred that inflicted a serious blow upon the policy of tariff assimilation. France has extended her protection over Morocco and in this new field there could be no question of applying the national customs tariff.

### *The Open Door in Morocco*

At a time when it could not be foreseen that the protectorate of France would one day be extended over Morocco, commercial treaties were signed by the sultan of that country with several foreign powers. A first treaty was concluded with Great Britain, December 9, 1856, for a period of five years.<sup>16</sup> Immediately after the conclusion of the treaty of peace of Tetuan (1860), in execution of article 13 of this treaty, a commercial agreement was concluded with Spain, November 20, 1861, for a period of ten years.<sup>17</sup> Finally, on June 1, 1890, a third treaty was concluded with Germany for a period of five years.<sup>18</sup> Of this treaty Italy afterwards obtained the benefit. These treaties granted to the citizens of the several countries the liberty of trading in Morocco and particularly declared that the tariff duties on importation could not exceed ten per cent, and fixed the tariff of duties to be collected on exportation. All these treaties were to remain in force after the expiration of the time for which they had been concluded, until they had been revised by common accord. These international agreements had to be respected by France after the establishment of the protectorate; at least, if she wished to obtain modifications in them, France had to negotiate with the several treaty powers, as she had previously done in the case of Tunis.

Before the establishment of the French protectorate, and

in prevision of such an event, several powers had taken their precautions. Their exactions and the readiness with which France yielded may be explained in the most natural and simplest manner.

On the one hand, the foreign powers having commercial interests in Morocco dreaded the application to this country of the policy of exclusion followed by France in Algeria and in the generality of her colonies. The policy of protection adopted by our country in 1892 caused the prospect of a protectorate under France to arouse more uneasiness on this score than would the prospect of a protectorate under any other power. Even the countries that had no desire to oppose the political aims of France, held it to be essential that the market of Morocco should remain open to their products.

France, on her side, considered it essential that no great power should be installed beside her in northern Africa. She was ready to do anything to prevent this result. This represented for her a political interest of the first importance. So, when the other powers demanded of her, in exchange for her political predominance in Morocco, economic liberty without any discrimination, she granted it without difficulty and without hesitation. Moreover, she was disposed, as time has shown, to make many other sacrifices. What was at stake for France was the retention of Algeria, and she could keep Algeria only by remaining the one great power established in the north of Africa.

The texts establishing the open door régime in Morocco are celebrated in the diplomatic history of our country. First, there is the declaration concerning Egypt and Morocco, signed April 8, 1904, between the English and French governments, article 4 of which reads as follows :

The two governments, being equally attached to the principle of commercial liberty in Egypt, as well as in Morocco, declare that they will not countenance therein any inequality, either in the establishment of customs duties or other taxes or in the establish-

ment of rates for transportation by railroad. The commerce of both nations with Morocco and with Egypt shall enjoy the same treatment in passing through the French and British possessions in Africa. An agreement between the two governments shall regulate the conditions of this transit and shall determine the points of entrance. This reciprocal engagement shall remain in force for a period of thirty years. Without express denunciation at least a year in advance, this period shall be prolonged for succeeding periods of five years.

The second important text is the general act of the International Conference of Algeciras of April 7, 1906, which proclaims 'the triple principle of the sovereignty and independence of His Majesty the Sultan, of the integrity of these states and of economic liberty without any discrimination'. This act (art. 66) authorizes the temporary levy of an additional tax of two and a half per cent *ad valorem* on importation, the income of which is intended to form a special fund devoted to expenses and to the execution of public works. In chapter V, which contains the regulations relating to the customs system of the empire (art. 77 to 104), it organizes a commission for customs valuation and a permanent committee of customs, international institutions operating in Tangiers. Finally, there is the agreement concluded between France and Germany, November 4, 1911, article 4 of which repeats that the government of France, firmly attached to the principle of commercial liberty in Morocco, will permit no discriminations. The minute precautions taken by Germany in this agreement are remarkable in the suspicion they reveal. They provide against all the round-about means by which the protecting country might endeavour to violate the principle of economic equality. But the French government accepted the principle of the open door not only in good faith, but without regrets. This is something decidedly significant, indicating an entirely new state of mind. At the sitting of the Chamber of Deputies of October 18, 1911, M. Caillaux, president of the Council, speaking of the Franco-German accord, after having called attention to the fact that the régime of the open door was nothing

new for France, since it already existed in the basin of the Congo, in the Ivory Coast, and in Dahomey, expressed his belief in the development of French commerce in Morocco. 'If to-day', said he, 'we have a proportion of forty-five per cent in the commerce of Morocco, we shall surely maintain it when, to our economic strength, shall be added our political action.' He continued as follows :

Will you permit me to express my views in full ? If so, I will say that the régime of the open door, which is the only real concession that you make, is a régime which cannot be evaded in any of the new countries that may be opened up. You must persuade yourselves that it is necessary to renounce the methods of exclusion that formerly bound the colonies of old to the mother country and closed them to foreign competition. The exigencies of modern life, which become more imperative from day to day, do not admit of such simple solutions. Will you permit me, for another thing, to call your attention to the fact that when a new country is opened up, it must not be burdened with excessive costs ? Freedom from such costs is not only in the interest of the colony but in the interest of the protecting country as well, which should seek to increase the colony's power of consuming.

When the Franco-German accord came before the Senate, M. Meline, in the sitting of February 10, 1912, vainly undertook to oppose the free-trade argument of M. Caillaux. M. Meline could express merely academic regrets. The reasoning of the president of the Council prevailed. Frenchmen are to-day persuaded that their commerce can be developed in Morocco under the régime of the open door. The example of Morocco will no doubt show, some years from now, that the development of French commerce in the colonies is not dependent upon the application of the national tariff duties. When this truth has been demonstrated, it may well be that the system of colonial exclusion will become a thing of the past. Perhaps then a voice will be heard in France thanking the foreign powers whose foresight shall have contributed towards turning our colonial commerce in the direction of economic liberty.

*Trade between Morocco and Algeria.*—At present the French



protectionists are concerned with eventualities less remote. The commerce carried on over the land frontier between Morocco and Algiers seems to them a danger, under whatever system it is conducted.

Importation from Morocco into Algiers is still governed by article 6 of the law of 1867. Natural or manufactured products coming from Morocco enter free of duty. Products of any other origin are subjected to the same régime as they would be if imported by sea. Under these conditions it is to be feared, the protectionists urge, that products, in reality of European origin, may be declared at the frontier as coming from Morocco. The distinction may indeed sometimes be difficult to make. Textiles from Morocco may, for example, be woven from thread imported from England. In this case, the concession made to a country adjacent to Algeria would be a source of indirect advantage to the English manufacturers who are our competitors. Furthermore, smuggling must be taken into consideration as something always difficult to prevent upon a frontier ill defined and insufficiently guarded. Smuggling has been made more profitable and therefore more tempting, in consequence of the rise in our tariff duties in 1892. It is impossible to reach the fraud at its source, on account of the existence of the open door policy, forced upon us in Morocco. Moreover, France cannot watch over all the maritime frontier of the Moroccan empire. The northern part of Morocco has been placed under the protectorate of Spain. Melila is a free port. There are no customs at all established on the frontiers of the French and Spanish zones. Hence there is nothing easier as a practical matter than for foreign European products to enter Morocco by the port of Melila, free of duty, thence to be transhipped into Algeria.

Exportation from Algeria into Morocco causes no less uneasiness to the protectionists. It is long since the inhabitants of Morocco made purchases in Oran. It was better for them to buy European products arriving by way of

Melila or Tangiers, free, or on payment of a light duty, than to obtain them in the Algerian market where their price was considerably higher in consequence of the application of our customs duties. Even the inhabitants of the region of Oudjda, although adjacent to the frontier, purchased European products imported into Morocco by sea, in spite of the cost entailed in crossing the whole of Morocco. With the intention of encouraging commercial relations between Algeria and Morocco, article 15 of the finance law of April 16, 1895, empowered the administration to determine the articles of merchandise in transit through Algeria which should have the benefit of exemption from customs duties and wharfage on their entrance into Algeria. Under authority of this law, a decree of December 17, 1896, permitted sugars, coffee, tea, spices, and alcohol intended for special uses enumerated to pass through free from duties (art. 2). Numerous precautions were taken by this decree to avoid fraud. These products, admitted in transit, must enter Algeria by certain ports enumerated in article 3, and after a certain length of time their exit from the country must be established in the offices of Ain-Sefra or of Lalla-Maghnia (decree of July 30, 1900). They are conveyed to Morocco under guard, the expense of which the exporter is required to pay. But these precautions are not sufficient for the protectionists. They fear that the merchandise thus introduced into Morocco might return to Algeria. What a misfortune it would be if the inhabitants of Oran should procure cheap foreign products that had escaped the customs! The danger appears to the protectionists all the greater because article 4 of the Franco-British treaty of April 8, 1904, stipulates that the trade of both nations with Morocco and with Egypt shall enjoy equal treatment in transit through the French and the British possessions in Africa. The insertion of this article in the Franco-British declaration seems to them due to the ignorant heedlessness of the French negotiators and to the Machiavelism of British diplomacy.

## 158 EVOLUTION OF COLONIAL TARIFF POLICY

Under the inspiration of these ideas the Association of French Industry and Agriculture, in its general convention of May 19, 1913, adopted the following resolution (No. 8):<sup>19</sup>

1. That in order to diminish the inducement offered to smuggling by the difference between the Algerian and the Moroccan duties, customs duties should be raised in Morocco sufficiently to make them comparable with those collected by France in Algeria;

2. That a control should be exercised over the movement of merchandise from the zone of Spanish influence into the zone of French influence;

3. That there should be established without delay, along the Algerian-Moroccan frontier, an unbroken line of customs police;

4. That transit trade intended for Morocco by way of Algeria should be regulated so as to avoid all fraud through return shipment;

5. That the law of 1867, granting duty exemption to Moroccan products, should be repealed, at least in so far as concerns wines and manufactured articles;

6. That if it be necessary to continue to admit free of duty into Algeria by way of land, certain natural products of Morocco, other than wines, this privilege should in all cases be limited to a quantity definitely decided upon annually, for each of such products, and on the condition that such products originate strictly within a zone adjacent to Algeria, not having contact with the Spanish zone nor access to the sea.

The extreme character of these demands shows how little they are capable of realization. To establish a Chinese wall between Morocco and Algeria would be to subject the inhabitants of the region of the frontier on both sides to the most intolerable oppression. The proximity of Algeria would prevent the development of French influence in Morocco instead of favouring it. It is thus once again demonstrated that enlightened patriotism has nothing in common with economic selfishness.

It is because the whole of Africa Minor constitutes *one and the same country*, that, *by the force of events*, the French have been compelled to go into Morocco.<sup>20</sup> The protectionists are vainly contending with the nature of things in their endeavour to interfere with business relations between Morocco and Algeria.

SECOND PART

THE RESULTS OF THE COLONIAL TARIFF POLICY  
OF FRANCE



## TABLE OF CONTENTS

	PAGE
INTRODUCTION . . . . .	161
CHAPTER I. THE SMALL COLONIES . . . . .	174
"    II. INDO-CHINA . . . . .	201
"    III. MADAGASCAR AND DEPENDENCIES . . . . .	217
"    IV. FRENCH POSSESSIONS IN WEST AFRICA . . . . .	225
"    V. FRENCH POSSESSIONS IN EQUATORIAL AFRICA . . . . .	236
"    VI. ALGERIA . . . . .	247
"    VII. THE PROTECTORATES OF TUNIS AND MOROCCO . . . . .	268
"    VIII. CONCLUSION . . . . .	280
INDEX . . . . .	303
APPENDIX	

## INTRODUCTION

*Sources : The Statistics of the Mother Country and of the Colonies*

IN order to measure the results of the tariff policy of France we must consult tariff statistics. Careful judgement must, however, be exercised in the utilization of these statistics. Any carelessness in the use of statistics is likely to lead to gross errors.

At the outset we must draw a fundamental distinction between the tariff statistics compiled in the mother country and those compiled in the colonies. In the mother country the General Directorship of the Customs publishes every year a bulky report entitled *General Table of Commerce and Navigation*. These reports have been published ever since 1826. The data given, rather meagre at first, have become, with the years, more complete and more precise. Since 1896 the report has consisted of two volumes, one devoted to the commerce of France with her colonies and foreign powers, and the other to navigation. This report usually appears toward the end of the summer of the year following that to which the report relates. It is prepared with much care, but it furnishes information only on one part of the colonial commerce. It covers the commerce of the colonies with France ; but it is silent in regard to the commerce of the colonies with one another and in regard to their commerce with foreign countries. It is, of course, naturally the case that the national customs administration should fail to record the external commerce of the colonies other than that with France.

*The Statistics of the Commerce of the French Colonies*, the data for which are collected by the colonial customs and

which are now published under the direction of the Colonial Office, give us, however, complete information in regard to the commerce of each colony with the mother country, with the other colonies, and with foreign countries. These colonial statistics were formerly very late in appearing. But at present they appear almost as promptly as those prepared by the national customs administration. Thus the two volumes containing the statistics for 1911 were put on sale at the end of October 1912. *The Bulletin of the Colonial Office* publishes also, separately, the tariff statistics of each colony as soon as they are received. Private associations, like the French Colonial Union<sup>1</sup> and the Colonial Institute of Marseilles,<sup>2</sup> endeavour on their own account, in the interest of trade, to obtain for themselves all information relative to the external commerce of the French colonies, and publish such information immediately.

It is to be observed that the commercial statistics of the French colonies are silent in regard to the external commerce of Algeria, of Tunis, and of Morocco. These territories are not attached to the ministry of the colonies and are not, in our administrative language, designated as colonies. There are special reports relating to these territories, to which we shall give attention farther on.

The statistics of the mother country and the colonial statistics should not be quoted indifferently. For certain information it is more reasonable to consult the national customs; for other information it is proper to address oneself to the colonial customs. Above all, one should never draw conclusions from figures taken, some from the national statistics, and some from the colonial statistics. One who puts these figures together indiscriminately and uses them as a basis for argument is certain to fall into serious error.

The national customs and the colonial customs are distinct administrations, which are not under the same ministry. They have different traditions and follow different rules;

they do not speak the same language and they take no cognizance of each other. It is to be noted at the outset that the national customs lists under exports what the colonial customs lists under imports, and vice versa. Rice shipped from Indo-China into France constitutes an export for Indo-China and an import for France. On the other hand, cotton goods, sold by French manufacturers to customers in Indo-China, constitute an export for France and an import for Indo-China. But when we have made this elementary observation, we notice at once that the figures recorded by the colonial customs in the column of *exports* never correspond to those recorded the same year by the national customs in the column of *imports*. Similarly, the figures for colonial importation are never identical with those for the national exportation. The differences are sometimes very wide. This does not at all indicate that one of the two sets of statistics is necessarily wrong; both may indeed be absolutely exact; yet it would be none the less impossible for them to agree. It is necessary to take account of the length of the voyage. Say that a vessel, whose cargo represents a value of several millions, leaves one port in the month of December, and arrives at another in the month of January. The cargo will figure as an export in the statistics of 1911, as an import in the statistics of 1912. The merchandise may not even arrive at all, as the vessel may be shipwrecked. Again, when the goods in question are ordinarily duty free, the customs administration may content itself with an approximation to the quantity, and this may not always be the same on departing and on arriving. The classifications adopted are not always the same in the colonies as in France, and they may vary from one colony to the other. Finally, and above all, the values applied in the colonies to products imported or exported are not the same as those assigned to them by the permanent Valuation Commission of the Customs established under the Ministry of Finances. The differences are often considerable.



M. Dubief in his report on the budget of the colonies for 1904 cites typical examples: a ton of ground-nuts, valued at 110 francs in Senegal and at 220 francs in France; vanilla, valued at 41 francs in Reunion and at 80 francs in the capital; nickel ore, valued at 54 francs per ton on leaving New Caledonia and at 350 francs on arriving in France. Generally speaking, the figures for imports are always higher than those for the corresponding exports, since merchandise is worth more in the country where it is to be consumed than in the country where it has been produced. We should, finally, note that the fundamental distinction between general commerce and special commerce is not so strictly drawn in the colonies as in the mother country. The Indo-Chinese tariff is indeed careful to make this distinction. But in many colonies it does not seem to be thought of. Doubtless it is of no great interest there. Any one who knows the strict rules observed by the national customs house in maintaining this distinction, and who understands the operation of the regulations concerning warehousing, transit, and admission in bond, will realize the impossibility of an agreement between the national statistics and the colonial statistics, and the uselessness of all effort that could be made to effect such agreement.

*The Commerce of France with her Colonies according to  
the National Customs Statistics*

The abundant information furnished on this point by the General Table of the Commerce of France is useful only if subjected to careful analysis. One who is content with statistical aggregates can draw no serious and precise conclusions from them. For example, what use would it be to compare the total of the exports of France to her colonies at different epochs? The extent of the colonial domain of France has greatly changed in the course of a century, and there is no interest in making a com-

parison from which can be drawn only the commonplace conclusion, that the commerce of France with her colonies has increased at the same time that her colonial domain has been enlarged.

The useful information furnished by the General Table of the Commerce of France is as follows :

1. The table makes possible a comparison of the colonial commerce of France with the whole of the external commerce of the nation. We may subjoin, for the sake of example, the statistics of *general* commerce for the year 1912 (in millions of francs) :

	<i>Imports.</i>	<i>Exports.</i>
Foreign countries . . . . .	9,354·8	7,801·0
Algeria, Tunis, and colonies . . . . .	938·8	1,022·9
Total . . . . .	10,293·6	8,823·9

The statistics (in millions of francs) of the *special* commerce for the same year, 1912, are as follows :

	<i>Imports.</i>	<i>Exports.</i>
Foreign countries . . . . .	7,343·5	5,802·6
Algeria, Tunis, and colonies . . . . .	887·3	910·0
Total . . . . .	8,230·8	6,712·6

Colonial commerce represents at present a little more than a tenth of the external commerce of France. At the end of the last century it represented not quite a tenth. Colonial commerce has increased relatively to the total commerce of France, but it still represents only a small percentage of the latter. Of course, an item which reaches nearly two billions of francs in the general commerce and 18,000 millions in the special commerce is, nevertheless, of very decided importance for our country.

The General Table of Commerce permits us, also, to determine the rank of each of our colonies as a source of imports and as a market for exports. We subjoin an extract from the *résumé* of statistics relative to origin of imports, in which *résumé* countries are ranked according to importance

## 166 RESULTS OF COLONIAL TARIFF POLICY

in the French external commerce (special commerce, imports, 1912):

6	Algeria	427.3
24	Western and equatorial Africa	91.4
25	Tunis	85.2
26	French Indo-China	82.5
31	Saint-Pierre, Miquelon, and the Grand Banks	36.1
32	Madagascar and dependencies	35.5
37	French India	28.1
38	Martinique	25.7
39	Guadeloupe	24.4
41	Reunion	23.1
47	New Caledonia and the establishments of Oceania	14.9
50	Coast of Somaliland	8.0
51	Guiana	7.1

The following table gives the rank of the several colonies among the countries of destination of French exports, 1912:

4	Algeria	568.5
10	Tunis	109.5
13	Indo-China	78.9
18	Western and equatorial Africa	50.1
22	Madagascar and dependencies	41.2
33	Guadeloupe	13.8
34	Martinique	12.9
39	Reunion	10.5
45	Guiana	8.7
46	New Caledonia and establishments of Oceania	8.7
48	Saint-Pierre, Miquelon, and the Grand Banks	3.7
51	Coast of Somaliland	3.0
58	French India	0.7

A comparison of the foregoing tables shows that all the colonies, with the exception of the establishments of little importance, such as Saint Pierre and Miquelon, India and the coast of Somaliland, occupy a better position in the figures for exports than in those of imports. As has been shown above, France sells a little more to her colonies than she buys from them.

It is, moreover, to be noted that the tables of commerce for 1912 still include Morocco among foreign countries, doubtless because the treaty establishing the Protectorate was signed and ratified only in the course of the year.<sup>3</sup>

Morocco occupies the forty-third place in the import table and the seventeenth in the export table. Imports from Morocco amounted to 19,613,000 francs and exports, having Morocco as destination, to 52,410,000 francs (special commerce).

2. The General Table of Commerce makes it possible to estimate the part of the colonies in the importation and in the exportation of different products. In the matter of importation, it is interesting to note that almost all the oxen and sheep imported into France come from Algeria ;<sup>4</sup> that a very considerable portion of the wheat, oats, and barley imported into France likewise comes from northern Africa ;<sup>5</sup> that the greater part of the rice comes from Indo-China ;<sup>6</sup> that the colonies do not send to the mother country a tenth of the copra which it uses ;<sup>7</sup> that about half of the ground-nuts come from the colonies ;<sup>8</sup> that the consumption of sugar from the French colonies remains at 108,000 tons, while the home production amounts to 554,000, and foreign sugars to 181,000 ;<sup>9</sup> that the coffee and cocoa of the French colonies amount to only a very small part of what is consumed by the mother country ;<sup>10</sup> that Indo-China furnishes the mother country with almost all its pepper<sup>11</sup> and a quarter of its tea ;<sup>12</sup> that the greater part of the vanilla used in France comes from the colonies of the Indian Ocean and of Oceania ;<sup>13</sup> that the French colonies furnish only 29,000 quintals of caoutchouc to the capital, while foreign countries furnish 138,000 ; that the amount of cotton coming from the French colonies for the national market is absolutely insignificant (60,000 quintals against 3,461,000) ; that Tunis furnishes three-fourths of the phosphates needed by French agriculture,<sup>14</sup> &c. These comparative results are very important : they show, on the one hand, the possibilities offered by the French market to colonial production, and, on the other hand, the importance of colonial production from the point of view of supplying the national demands.

The results, suggested by the General Table of Commerce,



on exports are no less interesting. Cotton fabrics, with exports in 1912 of 384 millions of francs, head the list. In this total, Algeria figures for 69 millions, Tunis for 8 millions and a half, Morocco for one million and a half, Indo-China for 30 millions, Madagascar and its dependencies for 20 millions, Reunion, the Antilles, and Guiana, together, for 8 millions, western Africa and Equatorial Africa for a little less than 4 millions. Algeria and the colonies took in 1912 more than one-third of the cotton fabrics exported by France. It would be childish to undervalue the importance of this fact. It explains the eagerness with which French manufacturers seek to reserve for themselves the colonial market. In regard to the exports of tools and metallurgical products, the part of Algeria and of the colonies is also relatively very large (47 millions out of 119). As for wines, the opening offered by the colonial market is not to be despised. In the list of articles of merchandise bought from France by each of her colonies, wines generally take a prominent place. Nevertheless, the colonies consume but little more than a tenth of the wines exported by the mother country.

The foregoing statements permit one to make a precise calculation of the importance of the colonial market for each of the national industries in particular. The national producer is not concerned with finding out what the needs of the colonies are and what their preferences are. The national producer simply asks himself: in what quantity can the colonies absorb the products I offer for their consumption? This is the point of view one must take if he desires to comprehend the degree of resistance offered by each industry to the demands of the colonial populations for reforms in the customs tariff.

3. Finally, the General Table of Commerce and of Navigation throws light upon the importance of colonial commerce from the point of view of the activities of our ports and the employment of our merchant marine. A third of the

merchandise carried by the French ships leaving our ports is intended for Algeria, Tunis, or the colonies. A third of the merchandise brought back by these same ships comes from the colonies.<sup>15</sup> One can, therefore, understand the importance attached to the colonial trade in cities such as Marseilles<sup>16</sup> or Bordeaux. The development of trade with the colonies is of the greatest concern to the shipowners. That is why these centres ardently desire a more liberal economic policy, a policy that would permit the inhabitants of the colonies to produce and to consume more.

So much we may learn from the statistics presented by the national customs administration. They exhibit the importance of colonial commerce for the nation. They explain the reasons for the respective attitudes assumed in France by the various circles interested in the question of the colonial tariff régime. But this is only one aspect of the problem.

*The External Commerce of the French Colonies according to the Statistics of the Colonial Customs.*—The external commerce of the French colonies (Algeria and Tunis not included) amounted in 1911 to a total of 1,242,000,000 francs, imports and exports taken together. This total was distributed in the following manner (in millions of francs) :

Imports from France . . . . .	261·3
Imports from French colonies . . . . .	16·5
Imports from foreign countries . . . . .	323·4
Total . . . . .	601·2
Exports to France . . . . .	273·4
Exports to French colonies . . . . .	10·4
Exports to foreign countries . . . . .	357·2
Total . . . . .	641·2

Compared with the statistics of former years, these figures show a considerable progress, remarkable for its steadiness. The external commerce of the French colonies reached an annual total of 200 millions of francs at the end of the reign of Louis Philippe. The crisis occasioned by the abolition

of slavery reduced this total to 121 millions in 1848. But little by little the figures rose. In 1866, the year in which tariff autonomy was established, the total of the external commerce of the colonies exceeded 300 millions. Up to 1883, the figures vary between 300 and 400 millions, in average years. From 1884 to 1897, the annual total varies between 400 and 500 millions. Beginning with 1888, the advances became extremely rapid. In 1901, the figure of 800 millions was exceeded. With the year 1907, the figures rise above the billion mark.

This somewhat commonplace statement of the progressive development of the external commerce of the French colonies, represents practically the only useful information to be drawn from these figures. Obviously no conclusion relative to the consequences of the tariff régime instituted in 1892 can be drawn from them. In fact, in these totals, non-assimilated colonies are included along with the assimilated colonies. Moreover, since 1892, the colonial domain of France has developed and the list of assimilated colonies has varied. Under these conditions, the composite statistical results for all the colonies can prove nothing.

This impression of the futility of the statistical results is strengthened when one examines the development of the external commerce of each colony in particular. A serious diversity arises to disconcert the investigator. Statistics are not compiled in the several colonies by a uniform method. In particular, the value attributed to products imported or exported varies perceptibly from one colony to another. There are colonies whose external commerce has developed with remarkable rapidity: such are Indo-China and West Africa, and there are others whose progress has been much slower. In certain colonies the volume of external commerce has remained stationary, or even decreased. The proportion of the commerce carried on with the mother country varies considerably from colony to colony. There are colonies that send to France almost all the commodities

they produce. Such are the Antilles and Reunion. There are others whose exports are principally consigned to foreign countries. Some make the greater part of their purchases in France, while others prefer to supply themselves in foreign markets. And the diversity of these results appears to bear no relation to the differences in the tariff régime. Among the colonies dealing largely with France we find both assimilated and non-assimilated colonies; and both kinds of colonies are represented among those dealing chiefly with foreign nations. One who approaches the study of these tariff statistics with preconceived ideas, will find himself immediately bewildered by the diversity of the results.

This situation is, however, entirely natural. The French colonies differ widely from one another. They do not export the same products: some export sugar, others rice, others caoutchouc, others nickel. An economic crisis seriously affecting one of these colonies may leave other colonies untouched. The sugar question, for instance, which is of first importance for the Antilles, means nothing at all to West Africa. Nor do the several French colonies import the same articles of merchandise. They are inhabited by different populations, having neither the same tastes, nor the same needs, nor the same resources. Compare, for instance, the family budget of an inhabitant of Annam with that of a creole of Reunion, of a negro of the Sudan, of a colonist of New Caledonia, or of a fisherman of Saint-Pierre and Miquelon. These people do not dress alike; they do not consume the same food, nor the same drinks, nor are they housed in the same manner. Their luxuries and their vices likewise differ. As customers, they are absolutely unlike. Many other causes also influence the external commerce of the colonies. The money question bears a very close relation to that of external commerce. In Indo-China there is a problem concerning the piastre which does not appear elsewhere. On the African continent, external commerce most frequently takes the form of barter. Every-



where account must be taken of the rate of exchange. In certain colonies practically all the commerce is external; interior commerce hardly exists. In other colonies the trade of the interior is much the more important. There are territories where the work of colonization is, one may say, complete, and here only a restricted progress is possible. In other territories, on the other hand, the work of colonization has hardly been commenced and the future contains possibilities on which the slight progress achieved down to the present throws very little light. It is necessary, also, to take into account the area of each colony, the number of its inhabitants, and its geographical situation. There are currents of commerce controlled by relations of vicinage. If it were possible to transport New Caledonia to the Atlantic, the Antilles to the Indian Ocean, or Madagascar to the Pacific Ocean; if Indo-China could be put into Africa, or the Congo into Asia, the external commerce of each of these countries would immediately take quite a different direction. The creation or the suppression of regular navigation service between a colony and another country results at once in the development or the abrupt checking of the trade carried on by it with that country. Granting the diversity and the multiplicity of these influences, it can well be understood that the same tariff régime does not produce, everywhere, the same results. That is what renders the uniformity aimed at by the legislators of 1892 an absurdity.

Obviously, for one who wishes to reach conclusions from colonial statistics, there is only one rational course to pursue. He must study each colony separately and seek to determine the effects produced on its economic or financial situation by the different tariff régimes to which it has been subjected. This may seem to be a very tedious process, but it is the only way by which one can attain results that are useful or convincing. A due sense of proportion, however, forbids equally detailed investigation for all the colonies severally. We shall therefore group together, in a first chapter, all the

small colonies of no considerable importance. Each of the four large general governments (Indo-China, Madagascar, West Africa, Equatorial Africa) will be the subject of a distinct chapter. After this, we shall find opportunity to study Algeria and the protectorates of Tunis and Morocco, whose situation is in every respect different from that of the colonies.

## CHAPTER I

### THE SMALL COLONIES

*The Antilles.*<sup>1</sup>—Martinique and Guadeloupe are two small colonies that, from the economic and social point of view, are exactly in the same situation, so that whatever may be said in regard to one, can be applied without qualification to the other. Each of them is of the size of a French district. Martinique has 987 square kilometres, Guadeloupe, with its dependencies, has about 1,800. These islands are inhabited by a dense population which is steadily increasing: in the census of 1911, Martinique had 184,000 inhabitants, Guadeloupe 212,000. This population includes a small minority of whites, of French origin, whose ancestors formerly colonized these islands, who have lost political influence, but have maintained their economic preponderance, retaining the land and wealth and directing the principal enterprises. The mass of the population consists of negroes, descendants of the slaves of former times, whose tendency has always been to pattern themselves after the whites and who hold a majority position in all the elective assemblies. In these islands, the work of colonization may be considered as completed long ago. It cannot be hoped that they can make more rapid progress than that of which countries of old civilization are still capable.

It should not be a matter of surprise, under these conditions, that the volume of the external commerce of the Antilles presents a remarkably stationary character. When one consults the general table of the external commerce of Martinique and of Guadeloupe from 1847, the year preceding the abolition of slavery, to 1911,<sup>2</sup> one learns that the imports and the exports together amounted, for each of these colonies,

to some sixty millions in the good years, and to some thirty millions in the bad. The fluctuations depended chiefly on the amount of sugar made, and the price of the sugar. But while, in this long period of sixty years, there have been periods of prosperity and periods of depression, no one can say, generally speaking, that there has been, on the whole, either progress or decadence. The stationary condition of this trade may be regarded as a relative retrogression, in view of the development of international commerce in the entire world.

The exports of the French Antilles consist almost entirely in colonial consumption staples, almost all of which are sent to the mother country. In 1911, the exports of Martinique amounted to 22,582,000 francs; those consigned to France represented 20,914,000 francs. In these totals, colonial consumption staples sent to France figure for 13,132,000 francs, and the rums sent to France, for 6,538,000 francs. The same situation holds true in Guadeloupe. The exports from Guadeloupe in 1911 amounted to 20,245,000 francs, of which 19,419,000 were consigned to the mother country. In these totals, the colonial consumption staples figure for 15,334,000 francs, and the rums sent to France for 3,611,000 francs. Again, it is worth noting that these colonial consumption staples consigned to France consisted almost wholly of sugar (12,037,000 francs in Martinique, 11,073,000 francs in Guadeloupe).<sup>3</sup> Accordingly, it is clear to what a degree these islands are specialized to a single product and how vital the sugar question is for them.

The statistics of 1911, moreover, merely reflect a long-standing situation. The exports consigned to the other colonies from Martinique and Guadeloupe, amounted to some hundreds of thousands of francs.<sup>4</sup> The exports destined for foreign countries are but little more important.<sup>5</sup> This has always been the case, except during the period following the *senatus-consultum* of 1866, which ended in 1884. In this epoch, the exports destined for foreign countries amounted to



several millions annually; sometimes, they even exceeded ten millions. But since the reform of 1884, in French sugar legislation, the Antilles have sent the totality of their sugar to France. This does not mean that the Antilles are absolutely dependent upon France as a market for their sugar. If necessary, they could sell to the United States, as they had begun to do during the period just mentioned. But the special advantages given colonial sugars in the French market, the bonds of former business relations, and the force of habit, exert a powerful influence upon the producers of the Antilles and prevent them from seeking markets elsewhere than in the mother country.

In imports the preponderance of the national commerce is, however, less marked. We subjoin the figures for the year 1911:

	<i>Martinique.</i>	<i>Guadeloupe.</i>
	<i>Francs.</i>	<i>Francs.</i>
Imports from France . . .	10,707,000	12,361,000
Imports from the colonies . .	773,000	430,000
Imports from foreign countries .	8,374,000	6,590,000
Total . . .	19,854,000	19,383,000

The proportions are about the same as obtained in 1847; but they have not always been the same during the intervening years. From 1874 to 1892, foreign imports equalled, or even surpassed, the imports from the mother country. Under the régime of tariff autonomy, the Antilles, left to themselves, naturally tended to make their purchases in the United States. Tariff assimilation has forced them to come to Europe and to pay higher prices for goods which they could have procured more cheaply. Accordingly, it is clear that the law of 1892 actually produced the change in the natural course of commerce anticipated by its authors. It forced the inhabitants of the Antilles to make certain purchases in France which they would otherwise have made elsewhere. Imports from foreign countries consist partly in kinds of merchandise which France cannot furnish to the colonies because she does not produce them at all, or not in

quantities sufficient for her own consumption, and partly in food-stuffs, which it was absolutely necessary to include in the decrees of exception, under penalty of starving the poorer classes and of provoking internal disorders in these islands.

The foreign country, in which the French Antilles make their most extensive purchases, is the United States. In 1911 imports from the United States amounted to 6,262,000 francs for Martinique and to 3,762,000 francs for Guadeloupe. The principal exports from the United States to the Antilles are salted meat, corn, cotton-seed oil and petroleum, wood, chemical fertilizers, and coal. These articles are, for the most part, included in the decrees of exception and enter free of duty or at a reduced rate.<sup>6</sup> After the United States comes England, whose exports to the Antilles consist chiefly of rice, coal, and chemical fertilizers, amounting in 1911 to 1,503,000 francs for Martinique and to 1,550,000 francs for Guadeloupe. Imports from other countries are of small importance and, besides, arrive most frequently via the mother country. Foreign merchandise imported from France amounted in 1911 to 361,000 francs for Martinique and 679,000 francs for Guadeloupe.

In order to estimate the effect of the law of 1892 upon the financial and economic situation of the Antilles, it would hardly be scientific to confine oneself to the opinions publicly formulated by the elected bodies and by the representatives of these colonies. Both find themselves in a decidedly embarrassing situation in regard to protesting against tariff assimilation. For reasons of a political and social character, on which it is superfluous to dwell here, the Councils-General and the deputies of the Antilles have always loudly demanded assimilation with the mother country. Accordingly, they are forced to accept without protest the special consequences produced in customs matters by this policy of assimilation, which offers, in their eyes, so many advantages in other directions. The abolition of tariff assimilation appears to them as a first breach made in a structure dear to them.

They fear that it may ultimately serve as a pretext for a whole series of reactionary measures. These considerations oblige them to put a damper on their demands. Furthermore, when the local assemblies have been called upon to formulate their wishes on the subject of commerce, they have avoided putting themselves on ground which seemed dangerous to them—that of tariff personality. They have limited themselves to formulating special demands: the abolition of the half-duty on secondary colonial commodities; the raising of the tax-abatement for distance, which appears to them insufficient to assure to their sugar a situation as favourable as that of home production in the French national market; <sup>7</sup> and finally, a more effective protection for their rum against unfair competition.

But the economist, who is not restrained by these considerations, can formulate his views with more liberty. The immediate consequence of tariff assimilation was to raise the price of a number of articles, which forced the consumer to reduce the amount of his purchases. As a consequence of the law of 1892, total imports did in fact diminish. In a report presented to the Council-General of Guadeloupe, March 10, 1908, Governor Ballot showed that imports which amounted, from 1888 to 1892, to twenty-two millions, in average years, fell, for the years 1903 to 1907, to less than fourteen millions, in an average year. This represents a diminution of forty-nine per cent in the import trade. This diminution primarily fell upon foreign commerce, which decreased by more than one-half. But what had been lost by foreign countries was far from being gained by the mother country. Analogous results present themselves in Martinique. But here a comparison of figures prior to 1892 with the figures which relate to the beginning of the present century leads to apparently less conclusive results, in consequence of the disturbance wrought in the commerce of the colony by the eruption of Mount Pélée in 1902.

To the burden imposed by the cost of living on the consumer

in the Antilles, a burden estimated by Governor Ballot at two millions for Guadeloupe alone, must be added the disadvantages arising from the necessity of foregoing certain articles, the price of which became prohibitive. Thus, light carriages of American manufacture were excluded from these islands, where they would have been a very great convenience. Their exclusion was of no profit to French industry, which does not manufacture this kind of article.

From the fiscal point of view, tariff assimilation has resulted in checking the normal development of local revenues. Since customs duties were not levied upon imports from France, and since foreign merchandise was kept away from the colonies in consequence of the excessive character of the duties falling upon them, the customs revenues fell to an extremely low level.<sup>8</sup> In 1911 the revenue from the customs duties amounted to 431,633 francs in Martinique, and to 627,983 francs in Guadeloupe. It is unlikely that these figures can be exceeded under the present tariff régime. They are much inferior to those of twenty years ago.<sup>9</sup> From this situation has arisen serious embarrassment for the local budgets. In order to make these budgets balance, it has been necessary to have recourse to other forms of taxation which are not without many disadvantages.

From both points of view, economic and financial, the Antilles have, then, incontestably suffered from tariff assimilation. Their interests have been sacrificed to those of the French producer. Nevertheless, the result of the application of the national tariff raises less difficulty in the Antilles than elsewhere. For the mother country is a customer buying all that the Antilles produce. This great customer has a right to certain privileges. Furthermore, the Antilles, more than any other colony, will profit, after 1914, from the abolition of the half-duty. From the economic point of view, tariff assimilation is a heavy burden for Martinique and for Guadeloupe; but this burden is not without compensation. And from the point of view of the budget, the evil is not without



remedy. The wharfage dues, collected in these colonies for the profit of the communes, fall upon merchandise coming from France as upon other similar products, and the revenue from this tax has perceptibly increased. It amounted in 1911 to 1,071,274 francs in Martinique and 1,337,756 francs in Guadeloupe. If the rate of wharfage were raised and a part of it devoted to the local budgets they would have nothing more to suffer from the displacement of foreign imports by imports from the mother country. Further, the abolition of the half-duty on secondary commodities in France might permit the establishment or the increase in the Antilles of export duties on these commodities. It is finally to be noted that, however harsh the régime of tariff assimilation may be for the Antilles, it has not bankrupted them. But this does not prove that a more liberal régime would not have been much more advantageous to them.

*Reunion.*—What has just been said of the Antilles may be applied with very little modification to Reunion, whose situation is similar in many respects to that of Martinique and Guadeloupe. Reunion is also a small island with a dense population (2,500 square kilometres and 173,000 inhabitants, according to the census of 1911). Its leading industry is the culture of sugar-cane. The most important difference consists in the composition of the population. The white element is much larger than in the Antilles. This results in certain differences in the way of living of the generality of the inhabitants and, consequently, in the nature of the objects imported.

It is chiefly on account of her geographic situation that Reunion should be considered separately. This colony is much more distant from the mother country than the Antilles. On the other hand, it is not placed, like the Antilles, in the field of attraction of a great foreign country like the United States. The neighbours with which Reunion is naturally led to carry on business relations are an English colony, the island Mauritius, and a French colony, Madagascar.

The external commerce of Reunion has remained stationary like that of the Antilles.<sup>10</sup> It has even manifested a certain tendency to diminish. For a long time this commerce, measured by aggregate imports and exports, has ranged between forty and sixty millions of francs annually. Between 1858 and 1863 the total was about a hundred millions. On the other hand, from 1904 to 1910, it fell to thirty millions, annually, and even below that. In 1911 it suddenly mounted again to forty-eight millions.<sup>11</sup> The following table shows the volume and destination of the exports from the colony :

Exports to France . . . . .	23,897,000 francs
Exports to the colonies . . . . .	765,000 „
Exports to foreign countries . . . . .	631,000 „
Total . . . . .	25,294,000 „

Sugar (16,631,000 francs) constituted the most important item in the exports of this colony. Almost the whole of it was sent to France (16,177,000 francs). Vanilla, essence of geraniums, rum, each of which figure in the exports for more than 1,000,000 francs, were likewise sent to France. Other local products provide only an insignificant volume of business : exports of Bourbon coffee, although so renowned, hardly exceeded 200,000 francs.

Reunion has always exported almost the whole of her products to the mother country. The exports intended for other French colonies are insignificant, and the fact that Madagascar is to-day a French colony has not greatly increased the volume of exports to that island. Exports for foreign countries attained to an appreciable magnitude in the period from 1861 to 1888. They then reached three or four millions annually, occasionally even five or six millions. They have since fallen again below one million francs, as formerly.

In 1911 the imports into Reunion were as follows :

Imports from France . . . . .	10,861,000 francs
Imports from the colonies . . . . .	2,641,000 „
Imports from foreign countries . . . . .	9,425,000 „
Total . . . . .	22,928,000 „

In Reunion, as in the Antilles, the proportion of the mother country in the import trade is less than in the export trade. Imports from the mother country, which amounted to twenty millions annually at the beginning of the Second Empire, have, since 1866, oscillated around the sum of ten millions, sometimes slightly surpassing it, sometimes remaining a little below. Their absolute importance has not increased since 1892. Imports from the French colonies, rather important up to 1881, when Reunion was in the habit of bringing in rice from Pondichéry for her immigrants, fell perceptibly after 1882, when immigration was suppressed. They rose again after Madagascar became a French colony. Reunion imports from Madagascar, oxen, lard and fat. It also imports rice from Indo-China. These imports represent some millions annually.

The imports of foreign merchandise ranged between ten and twenty millions in the period from 1854 to 1895. Since that time they have considerably diminished, in consequence of the application of the national customs duties.<sup>12</sup> In the period of 1907 to 1909 they fell below two millions. The noticeable rise that took place in 1911 is perhaps only accidental. The foreign countries with which Reunion carries on the greatest amount of business are: *England* (coal), *Australia* (flour), *British India*, and *Mauritius*. In 1911 the merchandise imported from England represented a value of 1,267,000 francs, and that from the British colonies a value of 7,927,000 francs. The share of other countries is insignificant.

The consequences of tariff assimilation have been, in Reunion, as in the Antilles, in the first place, a diminution of imports, resulting from the rise in prices, and in the second place, a decrease of revenue from customs duties, from which the local budget has had to suffer. The imports of foreign merchandise have diminished in a very great degree; but the importation of French merchandise has not increased. The consumer in Reunion has suffered, but he has not had the

consolation of saying to himself that at least his sufferings have been a source of profit to the mother country. The revenue from import duties represents a receipt of only 300,000 francs annually, in round numbers.<sup>13</sup> It is not alone the colonial finances that suffer from this situation. The mother country, which controls the business of the railroad and of the port of Reunion, also suffers from the consequences of the diminution of the external commerce of the colony.

Accordingly, we may say that tariff assimilation has produced, on the whole, the same lamentable results in Reunion as in the Antilles. On account of the geographic situation of the colony, assimilation has not interfered to the same degree with the natural course of trade. There was not in the neighbourhood of Reunion a great foreign country with which this island was forbidden to carry on any business. For this reason, the opposition has been, perhaps, less marked in Reunion than in the Antilles. But it has been more freely expressed. The inhabitants of Reunion are not embarrassed, to the same degree as those of the Antilles, by the doctrines of assimilation. They have always shown themselves to be in favour of a large measure of decentralization. It has been easier for them, consequently, to avow their preference for tariff personality.<sup>14</sup>

*Guiana.*<sup>15</sup>—From the historical point of view, Guiana takes her place among our old plantation colonies. But from the economic view-point, it differs considerably from the three others. To begin with, it is at the same time much larger and much less densely populated. The area is 88,240 square kilometres. The population, according to the census of 1911, is 49,000 inhabitants; and even this figure is probably exaggerated. Outside of Cayenne, Guiana is nothing but a vast desert. The colonization of this colony, far from being complete, has, as yet, hardly begun. The production of colonial commodities amounts to almost nothing in this colony. Without the gold industry and penal colonization, the trade of Guiana would not exist.



From 1846 to 1870 the exports of Guiana amounted to one or two millions annually. From 1871 to 1883 they fell to some hundreds of thousands francs. From 1883 to 1900 they rose, and reached five or six millions. Since that time they have varied from eleven to twelve millions annually. But let us not be deceived by this fact. The increase of exports is due solely to the establishment and development of the gold industry. In the total of 11,903,000 francs which represent the whole volume of exports from Guiana for 1911, gold figures for 10,253,000 francs. If we do not include the yellow metal, the exports of Guiana amounted to only 1,650,000 francs. They consist principally in dye woods (1,075,000 francs), and they are sent, for the most part, to the mother country. As for the gold itself, it went, in 1911, half to France (4,512,000 francs), and half to Switzerland (5,721,000 francs). The exports of colonial staples did not amount to 15,000 francs. Guiana exports a very little cocoa, but she imports sugar and coffee. In a word, Guiana is a dead country, which, having neither agriculture nor manufactures, has nothing to sell and, consequently, can buy nothing.

Nevertheless, imports are increasing. They ranged from three to four millions at the end of the reign of Louis Philippe. From 1853 up to 1887 they amounted to between six and seven millions on an average. To-day they amount to eleven or twelve millions. The figures for 1911 are as follows :

Imports from France . . . . .	7,469,000 francs
Imports from the colonies . . . . .	404,000 „
Imports from foreign countries . . . . .	3,389,000 „
Total . . . . .	<u>11,263,000 „</u>

But one should cherish no illusions as to this trade. The increase in imports is essentially a result of the development of the penal colony. The upward trend in imports began in 1854 with the opening of the penal settlement, and this trend was accelerated when the government began to send to Guiana the whole number of convicts, a great many of whom

had formerly been sent to New Caledonia from 1867 to 1894. The presence of a more and more numerous penal population, that had to be clothed and fed, naturally exerted an influence upon the volume of imports. One who takes this fact into account will see that tariff assimilation can have had little to do with this development of trade. There was no need of applying the French tariff régime to Guiana in order to induce the penitentiary administration to make its purchases in France. In order to determine the effects of the law of 1892 in Guiana it would be necessary to ascertain what the external commerce would be if the penal transportation system did not exist.

This calculation would be difficult to make, and it is hardly worth the trouble to undertake it. The free population of Guiana comprises little more than 20,000 inhabitants, the greater part negroes or mulattoes. From a market of so little importance what gains were to be anticipated from the imposition of the national tariff rates? Tariff assimilation can only hinder the development of Guiana. But it is not asserted that commercial liberty would be sufficient to obtain prosperity for the colony. It would doubtless be reasonable to endow Guiana with tariff personality: but if, for reasons of consistency, the colony is retained in the list of assimilated colonies, the matter is, unfortunately, of no importance.

*Saint-Pierre and Miquelon.*—We have here the case of a tiny colony (230 square kilometres), inhabited by some thousands of French of the white race, whose only industry is fishing, for whom the régime of tariff assimilation has been absolutely disastrous. The only reasonable solution of the tariff question would be to allow this little island to place upon articles of whatever origin moderate duties, sufficient for purely fiscal purposes, and to permit the inhabitants to make their purchases freely in the neighbourhood, in Newfoundland, Canada, or the United States. French national industry would not have been perceptibly affected by such a policy. Instead, the French general tariff was applied in

## 186 RESULTS OF COLONIAL TARIFF POLICY

1892 to Saint-Pierre and Miquelon. What have been the consequences ?

After 1815, Saint-Pierre and Miquelon developed slowly but surely. Its population of 2,000 inhabitants at the beginning of the nineteenth century increased to over 6,000. The external commerce of the colony likewise increased more than threefold. Before 1864 exports and imports combined did not exceed ten millions annually. In the period from 1885 to 1890, the trade exceeded thirty millions annually. When Saint-Pierre and Miquelon was subjected to tariff assimilation, the trade began to decline and the decadence was rapid. Eventually the external commerce fell to twelve or thirteen millions, the average of the last years. The figures for 1911 are as follows :

Imports from France . . . . .	2,348,000 francs
Imports from the colonies . . . . .	27,000 „
Imports from foreign countries . . . . .	2,908,000 „
<b>Total . . . . .</b>	<b>5,283,000 „</b>
 Exports to France . . . . .	 7,228,000 francs
Exports to the colonies . . . . .	406,000 „
Exports to foreign countries . . . . .	860,000 „
<b>Total . . . . .</b>	<b>8,494,000 „</b>

It is true that the tariff statistics of Saint-Pierre and Miquelon are not very trustworthy. Thus a brusque fall which occurred in the imports of 1904 seems to have been the result of the fact that until that year the statistics of imports had included the codfish unloaded by the fishing boats, and this increased the total by some millions. In the export statistics the valuations are always made arbitrarily. Foreign purchases are almost all by retail. The inhabitants of Newfoundland come to Saint-Pierre and carry away their purchases with them. No declaration is made and the customs service must limit itself to estimates based solely on the importation of products to be sold to English customers of the colony.

But, however defective the statistics may be, the decadence

indicated by them cannot be gainsaid. The population of Saint-Pierre diminished along with the trade. In 1902 the population was 6,500, while in 1911 it did not exceed 4,200. A good third of the population had emigrated, having no longer the opportunity to make a living. The number of licensed fishermen, which was 976 in 1904, had fallen to 749 in 1910. The fiscal situation of the colony became more and more critical. The era of deficits began in 1903. The deficits of 1903-1909 and 1912 amounted to 344,809 francs, and were not covered by the surplus of 124,438 francs left by the administrations of 1910 and 1911. After 1907 the reserve fund of the colony had been exhausted. It was necessary to restore the reserve through the proceeds of the remainder of a loan of 500,000 francs, contracted in 1900.

The experience of the colony has been disastrous. 'How could it be otherwise?' asks M. Delmont:<sup>16</sup>

How can you force a country that produces nothing and that can produce nothing, which is by situation and by natural character dependent upon its external relations, to supply itself exclusively in France, 800 leagues distant, while its near neighbours could easily supply it . . . The customs duties keep away from Saint-Pierre our own boats, the fishing craft that have their ports of clearance and equipment in France. These craft are in fact able to secure from the government warehouses in France the foreign products that they consume at sea, without having to pay duties. Hence there is every reason why they should not supply themselves at Saint-Pierre, where there is no government warehouse.

Thus the French vessels have been driven to desert the port of Saint-Pierre. Further, the local fishing fleet has almost completely disappeared. The number of schooners, which was 206 in 1902, fell to 55 in 1908 and to 29 in 1913.

Without doubt, tariff assimilation is not alone responsible for the decay of Saint-Pierre and Miquelon. Industrial progress has not been favourable to the colony. The cod is no longer cured on the spot in Saint-Pierre, but is sent uncured to the steam dryers installed in France. It is no longer customary to cure, in Saint-Pierre, any but fish of inferior



quality intended for the Antilles. The sailing schooners have suffered severely under the competition of the steam fishing-boats on the Banks of Newfoundland. Again, Saint-Pierre and Miquelon has been the victim of legislative measures taken by the parliament of Newfoundland, and also of the Franco-British agreement of 1904, by which our country renounced her privilege on the French Shore. Tariff assimilation must none the less be considered as the chief cause for the decay of Saint-Pierre and Miquelon.

The legislator has at last heard the cries of distress uttered by the colony, and has reached a belated decision to take Saint-Pierre and Miquelon out of the list of assimilated colonies. But the law of November 11, 1912, which authorizes this new regulation, has as yet given only a moral satisfaction to the colony. The decree establishing new tariff duties in place of the old has not yet been issued. The Chamber of Commerce of Saint-Pierre, whose requests have not been listened to, seems discouraged. The general impression of the colony seems to be, moreover, that the mischief has been wrought, and that it is now too late to remedy it.

*New Caledonia.*—New Caledonia and Saint-Pierre and Miquelon are the colonies that have suffered most from the régime of tariff assimilation. The island of New Caledonia has a little more than 16,000 square kilometres; together with its dependencies, the island of Loyalty and the Isle of the Pines, it contains a total area of more than 18,000 square kilometres. The population, which numbered about 50,000 inhabitants in the census of 1911, has increased since the founding of the colony (1833); but the proportions existing among the different elements composing it have strangely varied. This must be kept clearly in mind if one wishes to understand the development of the consuming power of the colony. New Caledonia was at first inhabited solely by poor native tribes. This native population has steadily decreased. At present it numbers not more than 28,000 souls, more than half of whom live on the island of Loyalty. After the found-

ing of the colony, convicts began to be transported thither. The penal element, which continued to increase until 1894, at which time it numbered about 12,000, has steadily decreased since then, in consequence of the discontinuance of penal transportation to this colony. In 1911 the penal element numbered only 5,671 persons ; it has since decreased. The free element, on the contrary, has steadily increased. In 1877 there were only 3,000 free colonists ; in 1891 the number exceeded 9,000, and in 1911 the white population contained more than 19,000 individuals. To this number must be added more than 3,000 coloured immigrants. The essential condition for the development and for the prosperity of the colony consists in the growth of the white element of French origin. It is chiefly by the excess of births over deaths that this growth is to be obtained. Our compatriots who have gone to establish themselves in New Caledonia must be allowed to raise large families easily. For this the indispensable condition is cheap living. But the application of the national tariff duties means a high cost of living. Tariff assimilation in New Caledonia is an essentially unintelligent measure which has provoked keen exasperation in the colony.

The exports from New Caledonia amounted at first to some hundreds of thousands of francs annually. After nickel was discovered, in 1875, they passed the million mark. At present they oscillate around the figure of ten millions, but with variations, quite noticeable, from one year to another.<sup>17</sup> In 1911 the figure of thirteen millions was reached ; this is the highest registered so far. The distribution of exports is as follows :

Exports to France . . . . .	5,447,000 francs
Exports to the colonies . . . . .	18,000 „
Exports to foreign countries . . . . .	7,635,000 „
Total . . . . .	13,100,000 „

In this total, the output of the Caledonian mines figures for more than seven millions. Of these seven millions, two

came to France, five went to foreign countries. But it is worth noting that nickel ore is not one of the products for which a preferential situation in the French market is asked. Whether Caledonian nickel supplies French, English, or German metallurgy, whether the Nickel Company finds its large customers in this or in that part of the world, these are matters that have, so to speak, no connexion with tariff legislation.

Outside of ores, the only articles of exportation of any importance are : preserved meat and uncured hides, which go in part to France, and in part to Australia ; copra, which goes to France ; coffee (1,280,000 francs), the whole of which is sent to France, where it has the benefit of the half-duty. In this connexion we may note that New Caledonia may hope for an appreciable advantage from the recent law which grants to colonial commodities free entrance into France, beginning with 1914. But this advantage would be dearly bought if it should entail for New Caledonia the renunciation of the hope of being some day withdrawn from the national tariff duties which stifle her development.

The imports of New Caledonia vary, ordinarily, between ten and thirteen millions of francs. In the bad years they fall to eight or nine millions ; twice only, in 1892 and in 1911, the figure of fourteen millions was surpassed. On the whole, it cannot be said that they have progressed.

The following table gives the figure for 1911 :

Imports from France . . . . .	7,863,000 francs
Imports from the colonies . . . . .	228,000 „
Imports from foreign countries . . . . .	7,063,000 „
Total . . . . .	15,154,000 „

From a careful study of the general table of the commerce of New Caledonia since the year 1885 (the date when customs statistics first drew a distinction between the commerce with the mother country and that with foreign countries), one receives the impression that the result of the law of 1892 has not been a perceptible growth of French imports and

a marked diminution in foreign imports. The New Caledonians have continued to supply themselves in Australia. But the price of the goods which they have bought has been considerably increased, to their detriment, in consequence of the raising of tariff duties.<sup>18</sup> It could hardly be otherwise. As is stated in a report of the Chamber of Commerce of Noumea :<sup>19</sup>

Because of its distance from the mother country, and the high cost of freight, because of her geographical position which places the colony within three days' steaming from the Australian continent, an abundant producer of all the commodities of temperate climates, and because of the considerable resources of the great Australian cities, New Caledonia is rapidly coming to supply herself in Australia with everything required, at low prices and with credit facilities which are denied her by the French trade. And no matter what new economic barriers may be erected, New Caledonia, even so, will be obliged to a very great extent to supply herself from Australia.

As a fact, in the total of 7,063,000 francs which represents the amount of foreign imports, Australia alone figures for 4,544,000 francs. The imports from Australia consist principally of farinaceous food-stuffs, sugar, and manufactured products. Great Britain, which is next in order the chief source of imports for New Caledonia, comes far behind, with 693,000 francs, consisting chiefly of coal and metal products. It is to be noted that the imports from the New Hebrides (180,000 francs) are included among the foreign imports.

The stationary condition of the external commerce of New Caledonia is the more remarkable because this colony is a new country, whose population and wealth should develop rapidly if not checked by artificial causes. In connexion with this colony, especially, it is pertinent to call attention to the fact that the real interest of the mother country lies in having her colonies prosperous. The more numerous the inhabitants of a colony and the better their circumstances, the more important becomes the market for the products of the mother country. It was killing the goose that laid the golden eggs to subject New Caledonia to the national customs tariff.



The French government has come to understand this, and it submitted, at the end of 1912, a bill designed to take New Caledonia from the list of assimilated colonies. In the interest of the mother country itself, it is desirable that this reform be accomplished as soon as possible.

*French Establishments of Oceania.*—The French establishments of Oceania have an area of 4,000 square kilometres, and a population of 30,000 inhabitants. The greater part (about 27,000) are natives. There are scarcely more than 3,000 Europeans in the colony, almost all of whom are concentrated in the city of Papeete. The native population remains stationary; if anything, it shows a tendency to decrease.

The external commerce of the French establishments of Oceania has, for a long time, ranged between six and eight millions of francs, half of which is for imports and half for exports. This commerce remained stationary during forty years until 1908. Since that time the progress of the colony has been noticeably rapid. Below are the figures for the last years :

1909	.	.	.	.	9,664,000 francs
1910	.	.	.	.	11,690,000 „
1911	.	.	.	.	14,725,000 „
1912	.	.	.	.	16,228,000 „

Exports reached in 1912 the figure, never before attained, of 8,481,000 francs. This increase was due essentially to the rise in the prices of vanilla<sup>20</sup> and of copra. Although the quantity of vanilla exported in 1912 was perceptibly less than that exported in 1911, its value was 3,316,000 francs, exceeding by more than 1,000,000 francs the value of the vanilla exported in the preceding year. After vanilla, the principal products exported are, copra (2,814,000 francs), mother-of-pearl (841,000 francs), and phosphates (769,000 francs), the production of which has been increasing rapidly for some years. The greater part of the products exported (4,880,000 francs) are sent to the United States, England (1,008,000

francs) is the next best customer for Tahiti. New Zealand, with 648,000 francs, should be grouped with England, since many products declared for New Zealand are later sent to England. France appears in the export figures for only 882,000 francs.

The growth in exports has resulted in a corresponding increase in imports. The native, benefiting by the rise of prices, has bought more. Imports rose in 1912 to 7,747,000 francs. In this total, the United States appear for 3,626,000 francs, New Zealand and Australia for 1,820,000 francs, France for 1,301,000 francs, England for nearly 500,000 francs, Germany for 182,000 francs, and the French colonies for about 20,000 francs.

The relative proportions indicated above result from natural conditions and are of long standing. It is chiefly through San Francisco that this little colony, lost in the middle of the Pacific Ocean, communicates with the remainder of the world. It is to America that she must necessarily look for the disposal of her products. It is consequently in America that she must make the greater part of her purchases, for a regular maritime service between Papeete and San Francisco can operate only on condition of finding freight both for the outward-bound voyage and for the return. The trade of Tahiti with the mother country is all it can be expected to be, in view of the geographical situation of this colony. The colony may congratulate itself on the fact that it was not included in 1892 in the list of assimilated colonies, and all that it asks is that legislation may continue to overlook it.<sup>21</sup>

*French India.*—French India (513 square kilometres; 282,000 inhabitants in 1911) is an old colony whose commerce, like its population, might have remained stationary. Thanks to the liberty it has enjoyed, this commerce has developed in a remarkable manner. In 1892 it was only nineteen millions, of which a little more than three millions consisted of imports and a little more than fifteen millions of exports. After

## 194 RESULTS OF COLONIAL TARIFF POLICY

having decreased at the end of the last century (the lowest figure, eleven millions, was recorded in 1898) it rose in a remarkable manner after the beginning of the present century. In 1911 it reached 46,606,000 francs.

The exports are distributed as follows :

Exports to France . . . . .	19,611,000 francs
Exports to the colonies . . . . .	3,733,000 „
Exports to foreign countries . . . . .	14,643,000 „
Total . . . . .	37,988,000 „

Among the products exported are ground-nuts (22,430,000 francs), which far exceed in importance any other. These are, as a fact, shelled pea-nuts, produced in British India, and merely embarked at Pondichéry. The largest part (15,700,000 francs) is sent to France ; the remainder goes to Belgium, Italy, or the English colonies. Next in importance after pea-nuts are the cotton fabrics manufactured in Pondichéry (7,982,000 francs). The largest part goes to France (3,687,000) and the French colonies (1,914,000) ; the remainder goes to the English colonies. Next in order is rice, of which a value of 2,099,000 francs is exported ; it goes to Singapore or to Ceylon. We must also mention the raw silks (2,827,000 francs) that go to the French or to the English colonies. The other products exported are not important enough to be noted separately.

The imports are distributed as follows :

Imports from France . . . . .	545,000 francs
Imports from the colonies . . . . .	72,000 „
Imports from foreign countries . . . . .	8,000,000 „
Total . . . . .	8,618,000 „

Three products lead in the importation : (1) Areca nuts (1,148,000 francs) from the British colonies, chiefly from Singapore ; (2) cotton thread (2,913,000 francs), which comes from British India and constitutes the material for the textile manufactures established at Pondichéry ; (3) petroleum (1,144,000 francs) from America.

These figures explain the enormous preponderance of foreign imports. Deduction made of these three products, which French India could not obtain from the mother country, the preponderance of foreign commerce is much less accentuated. In regard to manufactures, the share of France and her colonies is 341,000 francs, that of foreign nations, 1,142,000 francs.

*The French Coast of Somaliland.*—A port, Djibouti, separated from Abyssinia by the desert; a railroad, laid through the desert, which since 1903 permits the products of Abyssinia to arrive in this port, and outside productions to enter Abyssinia: such is the character of this colony. What the Coast of Somaliland can itself produce, or consume, counts for practically nothing. Djibouti is only an entrepôt, established in the same field as Aden, which it seeks to rival.

The general commerce of the French Coast of Somaliland has developed considerably since the end of the last century. In 1900 for the first time it exceeded ten millions. In 1903 it reached nearly twenty millions. In 1905 it rose to thirty millions. It then passed to forty-one millions in 1909, to fifty-four millions in 1910, and to seventy-eight millions in 1911.

The products exported in 1911 by the port of Djibouti were distributed as follows:

The raw products from the colony amount to about 18,975,000 francs. In this total, sheepskins represent 2,807,000; crude wax, 1,160,000; elephants' tusks, 2,490,000, coffee, 6,429,000. All these products come from Abyssinia. They are exported in part to the British colonies (9,964,000 francs), that is to say, to Aden, in part to England (2,687,000 francs), in part to France (3,343,000 francs). Belgium and Germany each takes about 800,000 francs of exports from the colony. The shares of the other foreign countries are much less. That of the French colonies is only 40,000 francs.

The exports include, also, French merchandise for re-exportation (1,104,000 francs), sent chiefly to Arabia (977,000



francs); they consist almost entirely of arms, powder, and munitions. Next in order is the foreign merchandise for re-exportation, consisting chiefly of coal, textiles, and arms, destined for France, the French colonies, the British colonies, and China. They represent a total of 2,600,000 francs.

Finally, included in the exports are goods passing through on their way to Abyssinia. Among these, French goods amount to 6,942,000 francs. They consist chiefly of rails for finishing the railroad (2,236,000), locomotives and fire-arms. Foreign merchandise in transit for Abyssinia is represented by a figure of 15,775,000 francs. More than half (8,973,000 francs) consists of textiles. Arms and ammunition represent a value of 3,178,000 francs. Other articles are much less important.

By adding together these different items, one reaches a figure of 45,387,000 francs, which represents the total of the exports. As for the imports, their total is 32,620,000 francs. French imports reach a total of 9,140,000 francs. They consist chiefly of arms, powder and munitions (2,253,000 francs), and metal products (1,790,000 francs). The imports from the French colonies (24,000 francs) do not count for anything. The imports of foreign merchandise amount to 23,255,000 francs; they come chiefly from the British colonies (9,088,000 francs), from England (5,848,000), from Japan (2,345,000), and from Austria (1,166,000). Imports from Germany are 803,000 francs, from the United States 775,000, from Arabia 450,000. The largest items of foreign importation consist in textiles from British India and from England, which represents 9,274,000 francs; British coal (1,872,000 francs), fire-arms and ammunition from Japan (2,344,000), and cotton goods from the United States (775,000 francs).

These figures are, however, incomplete, and are very likely less than they should be. The personnel of the customs at Djibouti has been, so far, altogether inadequate. Furthermore, the word has been passed to the officials to close their

eyes and to be very accommodating to the merchants, in order to attract them to Djibouti. An official entrepôt was established on the plateau of Djibouti by a decree of April 18, 1901. The warehouses established by the Messageries Maritimes on the plateau of Marabout, where there is not a single European agent to oversee the loading and unloading, constitute a surreptitious entrepôt, running in competition with the government entrepôt.

*Conclusion.*—In concluding, we shall attempt to determine what the mother country has gained by forcing tariff assimilation upon the small colonies, with the burden which this assimilation has meant for them.

In order to estimate the gain realized by the French producer, it is safest to have recourse to the statistics compiled by the national customs house. The values given by this administration to the products exported have the advantage of not changing with the colonies, and they give a reasonably accurate view of the interest of the national producers in the colonial commerce.

We must compare the special export commerce for the year 1892, the year which preceded the application of the new régime, with that of the year 1912. Thus we may measure the progress realized in twenty years. The table below gives the figures in thousands of francs, for the small assimilated colonies :

	1892.	1912.
Reunion . . . . .	7,058	10,478
Martinique . . . . .	12,858	12,894
Guadeloupe . . . . .	11,758	13,792
Guiana . . . . .	6,803	8,724
New Caledonia . . . . .	6,242	7,415
Saint-Pierre and Miquelon . . . . .	4,778	3,661
Total . . . . .	49,497	56,964

Thus the gain achieved by French export trade in twenty years is measured by an increase of about 7,000,000 francs annually. A very small gain, and perhaps rather apparent than real. Indeed, account must be taken of the rise in

general prices. The values applied by the permanent commission to products exported in 1912 are, as a rule, higher than those applied to products exported in 1892. But it remains to be proven whether, under a régime of liberty, the national exports would not have increased during this period of twenty years. In this connexion it would be interesting to establish a comparison with the progress realized during the same period of twenty years in the exports to the small non-assimilated colonies. For the Coast of Somaliland the comparison is not possible, since the port of Djibouti and the railroad did not exist in 1892. The special export commerce for French India seems to have diminished considerably. It fell from 1,095,000 in 1892 to 673,000 in 1912. But these figures prove nothing, for the year 1892 was exceptionally favourable and the year 1912 exceptionally unfavourable. The impression would be quite different if one compared the year 1891, in which the exports were only 717,000 francs, with 1911, when they were 1,298,000 francs. If the average for several years is taken, it appears that exports to French India hold up very well. There remain the exports to the French establishments of Oceania. These increased from 473,000 francs in 1892 to 1,242,000 francs in 1912. The comparison, which naturally forces itself upon the attention, between New Caledonia and Tahiti is not favourable to the régime of assimilation.

Against the meagre results obtained by the national producers, let us place the burden laid upon the inhabitants of the small assimilated colonies. It must be noted at the outset, that, in these small countries, the relative importance of external commerce is infinitely greater than elsewhere. In great countries, internal commerce is much more important than external—perhaps ten times as important. In countries like the French colonies of America, Reunion or New Caledonia, external commerce is, so to speak, everything. Internal commerce hardly exists. These countries bring in from outside all that they use, and they export

all that they produce. The tariff régime is consequently a question of vital importance for them.

Under the régime of tariff assimilation, the external commerce of the small colonies has remained, on the whole, stationary. These colonies have made no progress. The following table, compiled from the colonial statistics, gives in millions of francs the total imports in 1892 and in 1911 :

	1892	1911
Reunion . . . . .	42.0	48.2
Martinique . . . . .	51.4	47.4
Guadeloupe . . . . .	42.8	39.6
Guiana . . . . .	15.2	23.1
New Caledonia . . . . .	21.6	28.2
Saint Pierre and Miquelon . . . . .	19.0	13.7
Total . . . . .	192.2	200.0

During this time, the external commerce of French India rose from nineteen millions to forty-six millions, and that of the French establishments of Oceania from six millions to fourteen millions. In the small colonies subjected to the national tariff duties, external commerce has remained stationary or has declined. In those placed under a régime of liberty, the external commerce has more than doubled.

In order to appreciate the effects of tariff assimilation on the small colonies, it is really sufficient to ask oneself what results might naturally be expected. The application of the national customs tariff may actually force the inhabitants of these colonies to procure from the mother country the products which they would otherwise procure from a foreign country. In this case, the national producer obtains a benefit, but to the detriment of the colonial consumer, who pays dearer for what he buys, and who, consequently, buys less. It is also to the detriment of the local budget, because the revenue from the import duties diminishes. This is what has happened notably in the Antilles. Or the inhabitants of the colonies may continue to make their purchases in foreign countries, in spite of the increase of the customs duties. In this case the national producer does not profit



by the tariff assimilation, the local budget does not suffer by it ; but the colonial consumer supports a crushing burden. This is what has happened in New Caledonia.

From all standpoints, tariff assimilation is, for the small colonies, deliberately devised misery. This policy, applied to small countries unable to defend themselves and whose attachment to the mother country is traditional, is unworthy of a great nation like France.

## CHAPTER II

### INDO-CHINA

*The Progress of the External Commerce of Indo-China.*—With its 670,000 square kilometres and its 17,000,000 inhabitants, Indo-China occupies a place of exceptional importance among the French colonies. Its external commerce, which to-day reaches half a billion francs, represents five-twelfths of all the external commerce of the colonies. The application to Indo-China of the national customs tariff was especially interesting to the French producer. The results of tariff assimilation in Indo-China are accordingly worthy of detailed study.

It was in 1887 that the French general tariff was first applied to Indo-China. In the same year Annam-Tonkin, down to that time under the administration of the Minister of Foreign Affairs, and Cochin-China, which, along with the protectorate of Cambodia, was attached to the Ministry of the Colonies, were consolidated and placed under the authority of the same governor-general.<sup>1</sup> It would not be worth while in the present study to go back to the earlier epochs. We shall take as our starting-point the year 1888, when the new régime first came into general operation.

In 1888 the external commerce of Indo-China was 127,000,000 of francs, imports and exports combined. In 1889 it fell to 78,000,000. Little by little, it rose again, and in 1894, the last year of the government of M. de Lanesan, it slightly exceeded 170,000,000. It remained in the neighbourhood of this figure under the government of M. Rousseau (1895–6). The government of M. Doumer began, in 1897, with the figure of 205,000,000 and ended, in 1902, with 400,000,000. Under the government of M. Beau,

a perceptible decrease showed itself in 1903 and in 1904, but soon a new advance took place. In 1907 the half billion mark was passed, and since that time the external commerce of Indo-China has oscillated around this figure. It fell a little below (494,000,000) in 1911, an exceptionally bad year. But it seems probable that the upward movement will be resumed. In 1912 the general commerce of Indo-China rose to more than 533,000,000 francs.

Thus, in the quarter of a century from 1888 to 1912, the external commerce of Indo-China increased fourfold. So much for the facts. Did this progress take place because of tariff assimilation or in spite of it? This is the question to be answered. But, to put the matter in a proper light, it is necessary to take into account other factors, whose influence upon the apparent rise of the external commerce of Indo-China has been considerable.

In the first place a more or less justifiable increase in the values appraised by the Indo-Chinese customs house, on imports and exports, has inflated the statistics in a purely arbitrary manner. Thus, says M. Guerneur,<sup>2</sup>

the price of cotton thread, which had been fixed at 125 francs per 100 kilograms up to 1899, was suddenly raised to 300 francs in 1900; also, tin, valued in 1899 at 1,300 francs per ton, was raised to 2,780 francs in 1900; gold was raised from 2,160 francs per kilogram to 3,500; tea from three to five francs; Chinese tobacco from one to three francs. As for silk, the appraised value was increased exactly tenfold—from six francs thirty centimes it suddenly mounted to sixty-three francs. Coal was raised first from sixteen to twenty-one francs, and then to thirty-five francs. Hence we find in case of some products perceptible increases as measured by values, when in reality the quantities imported or exported are less. These continual variations in appraised valuations, which present themselves in the guise of increased values, vitiate all our calculations. Only a relative importance can be attached to these tariff statistics.

Account must be taken, in the second place, of the influence exerted by the execution of great public works. It is evident, for example, that the law of December 25, 1898,

authorizing Indo-China to borrow 200 millions in order to construct a network of railroads, must have exerted a very considerable influence on the remarkable growth of the external commerce of Indo-China at the end of the government of M. Doumer. Article 4 of this law, which determined that all material intended for the construction or equipment of the lines, which could not be secured in the colony, should be of French production and should be transported under the French flag, contributed even more materially than the régime of tariff assimilation to increase the share of French commerce in the colonial import trade.

In the third place, account must be taken of the development of the European population, which now exceeds 20,000 souls. This population does not live after the fashion of the natives, but imports from Europe, especially from France, the larger part of the articles necessary for their use. This represents a second influence making for an increase in imports from France—an influence which has nothing to do with tariff assimilation.

Bearing the foregoing considerations in mind, we may now examine the statistics of the general commerce of Indo-China in 1911 as compared with those of 1888 (in millions of francs):

	1888	1911
Imports from France . . . . .	11.2	85.8
Imports from the colonies . . . . .	0.0	6.9
Imports from foreign countries . . . . .	44.7	151.2
Total . . . . .	56.0	244.1
Exports to France . . . . .	2.0	59.2
Exports to the colonies . . . . .	0.0	1.9
Exports to foreign countries . . . . .	68.9	188.9
Total . . . . .	71.0	250.1

At first glance, a comparison of these figures gives the impression of a general development in both the export and import trades with France and with foreign countries as well. But we must examine the matter in detail.

*What Indo-China Produces and Exports.*—The distinction



between general commerce and special commerce is carefully drawn by the Indo-Chinese customs house. In exports, the general commerce amounts to 250 millions and the special commerce to 207 millions.<sup>3</sup> The difference (42 millions and a half) is distributed in the following manner :

French merchandise re-exported	.	.	.	2.7
Foreign merchandise re-exported	.	.	.	1.6
French merchandise in transit	.	.	.	0.1
Foreign merchandise in transit	.	.	.	38.0

The magnitude of the last item is explained by the importance of the trade between Yunnan and Hong-Kong, by way of the valley of the Red River. Tin ore, shipped from Yunnan to Hong-Kong, represents a value of more than 24,000,000 francs. The merchandise sent from Hong-Kong to Yunnan, which consists chiefly in yarn and cotton fabrics, represents a value of more than ten millions of francs.

Disregarding, then, the statistics of general commerce, let us consider those of the special commerce only. They show us what Indo-China produces and exports. The total of Indo-Chinese exports figures, in the special commerce, at 207,000,000. More than half of this total consists of the exports of rice, which, for 1911, amounted to 116 millions of francs. France buys about 27,000,000 francs in value; the French colonies, 1,800,000 francs; China takes 89,000,000; Japan, 13,000,000; the Philippines, 17,000,000; the Dutch East Indies, 4,500,000; England and Germany each, a little more than a million and a half; the remainder goes to the entrepôts of Hong-Kong (41,000,000) and Singapore (6,000,000).

The importance of the rice crop is a decisive factor in the prosperity of the commerce of Indo-China and has great influence on the total exports. When the crop is poor, which was the case in 1911 and in 1912, the exports of rice fell to 800,000 tons. When the crop is good, they exceed one million tons; this was the case in the years from 1907 to 1910.<sup>4</sup> The Far East, and particularly China, consumes

the larger part of the rice exported by Cochin China and Tonkin. Here, Indo-Chinese rice finds an assured and, one may say, almost unlimited market. Rice is of such great importance in the Far East as an article of food, that its production may be developed without the least fear of over-supplying the market. It is interesting to note that France consumes an increasing quantity of Indo-Chinese rice. She buys to-day an average of 200,000 tons annually. Rice is more and more generally employed in agriculture for the feeding of animals. It is to be observed in this connexion that Indo-Chinese rice is protected on the French market, where it enters free of duty, by the customs duties which fall to-day on foreign rice (three francs per 100 kilograms on paddies, six francs on broken, and eight francs on whole rice).

Maize is another product of Indo-China which profits from the high level of our tariff duties. A duty of three francs per 100 kilograms was established in 1892 on foreign maize. This duty, which in fact was of no use to French agriculture, but which seriously burdened the starch-makers, and consequently the manufacturers of cotton fabrics for export, had the unlooked-for result of favouring the development of maize production in Indo-China.<sup>5</sup> The exports of Indo-Chinese maize amounted in 1911 to 80,000,000 kilograms, with a value of about 10,000,000 francs ; all this maize was sold in France.

We subjoin a list of the other items of export, which represent a value exceeding 1,000,000 francs :

1. Oxen (1,200,000), all sent to the Philippines.
2. Buffaloes (1,000,000), likewise all sent to the Philippines.
3. The hides of cattle (4,700,000), half of which are shipped to France (2,100,000), a quarter to England (1,400,000), and the remainder to the entrepôts of Hong-Kong and Singapore.
4. Raw silk (2,000,000), of which three-fourths go to the entrepôts of Hong-Kong and Singapore ; France and Siam divide the remaining quarter.

5. Fresh fish (1,000,000), which is sold in China.
6. Dried fish (11,000,000), all sent to the entrepôts of Hong-Kong and Singapore.
7. Fish oil (1,400,000), all sent to France.
8. Dried shrimps (1,600,000), all sent to Hong-Kong.
9. Tortoise shell (1,700,000), which goes to Hong-Kong.
10. Copra (2,200,000), all of which goes to France.
11. Pepper (3,800,000), the larger part of which is bought by France.
12. Cinnamon bark (2,200,000), which goes to Hong-Kong.
13. Tea (about 1,000,000), all of which goes to France.
14. Gutta-percha and caoutchouc (2,200,000), almost all of which is sent to France.
15. Cotton (1,700,000), almost all of which goes to Hong-Kong.
16. Cement (2,800,000), which is sold in Siam, Hong-Kong, and China.
17. Coal (5,200,000), almost the whole of which is sold in Hong-Kong and in China.
18. Silver (2,600,000), which likewise goes to China and to Hong-Kong.
19. Zinc ore (3,700,000), all bought by France and by Belgium.
20. Cotton yarn (2,400,000), all sold in China.
21. Prepared skins (2,300,000), all sent to Hong-Kong.
22. Tonkin straw mats (1,700,000), all of which go to Hong-Kong.

This list shows that (with the exception of rice, a product of universal utility for the white as well as for the yellow races), of the products exported by Indo-China, some go to Europe exclusively, while others go to the Far East. *It is the nature of the product which controls its destination.* There are articles of merchandise which are bought only by the whites, and which consequently find a market only in Europe; there are others which are consumed only in the Far East. The latter are the more numerous. Indo-China

has adjacent to her, in China, in Japan, in the Philippine Islands, in the Dutch Indies, in Siam, very important customers that must be treated with consideration, for these customers buy products which the mother country would never need.

The following analysis indicates the relative importance of the purchases made in Indo-China by the different countries to which she exports. The figures represent millions of francs :

France . . . . .	56.8
French colonies . . . . .	1.9
England . . . . .	3.7
Germany . . . . .	1.8
Belgium . . . . .	1.6
Other European countries . . . . .	0.3
America . . . . .	0.1
Philippine Islands . . . . .	20.4
China . . . . .	13.5
Japan . . . . .	13.3
Dutch Indies . . . . .	4.5
Siam . . . . .	1.8
British India and other countries of the Far East . . . . .	0.5
Entrepôt of Hong-Kong . . . . .	68.3
Entrepôt of Singapore . . . . .	18.4

Without doubt, a part of the merchandise exported to the entrepôts of Hong-Kong and of Singapore is afterwards sent to Europe. It is largely from these entrepôts that England and Germany procure the rice of Indo-China. It is none the less true that the countries of the Far East absorb the greater part, about two-thirds, of the Indo-Chinese exports.

*What Indo-China Buys and Consumes.*—In imports, the general commerce of Indo-China amounted in 1911 to 244,000,000 francs, and the special commerce to 194,000,000 francs. The difference is accounted for by the transit trade (38,000,000 francs), the entrepôt trade (10,000,000), by transshipments, re-exports, and goods admitted in bond.

In the imports which appear in the general commerce but not in the special commerce, the part of France is four millions ; it consists chiefly of tobacco and beverages. The



part of the other countries of Europe is three millions ; it consists chiefly in coal and petroleum. The share of the countries of the Far East is forty-three millions ; the greater part represents the transit traffic from Yunnan to Hong-Kong and vice versa ; this item has already been dealt with.

In the special commerce, animal products amount to five millions, vegetable products to nearly fifty millions, mineral products, twenty-two millions, and manufactured products, one hundred and seventeen millions. As to origin of imports, the share of France is eighty-two millions, that of the French colonies seven millions, that of the other European countries nine millions, that of America three millions and a half. All of these countries combined are represented in the imports by a hundred millions : this is hardly a half of the special import commerce. The other half is furnished by the other countries of the Far East : fifty-seven millions worth of merchandise comes from the entrepôt of Hong-Kong ; about eleven millions from the entrepôt of Singapore, eleven millions from China, seven to eight millions from British India, two millions from Japan, and two millions from the Dutch Indies ; the imports from Siam and from the Philippines are insignificant.

Among the imports exceeding one million francs in value are found : milk (1,000,000), three-fourths of which come from Switzerland and one-quarter from France ; rye (3,000,000), of which one-third comes from France and two-thirds from the entrepôt of Hong-Kong ; Chinese vermicelli (1,200,000), which comes altogether from China ; areca nuts (2,600,000), which come altogether from the entrepôt of Singapore ; sugar (3,500,000), half of which comes from France and the other half from the entrepôts of Hong-Kong and Singapore ; tea (3,300,000), which comes chiefly from the entrepôts of Hong-Kong ; tobacco (4,400,000), three-fourths of which come from Algeria ; opium (5,600,000), which comes entirely from British India ; medicinal articles

of Chinese origin (1,900,000), which come from the entrepôt of Hong-Kong; cotton (2,700,000), which likewise comes almost entirely from Hong-Kong; fresh vegetables of Chinese origin, from the same entrepôt; wines (3,200,000), which come almost exclusively from France; beer (1,400,000), which likewise comes from France; chalk (1,000,000), which comes from France; petroleum (5,200,000), which comes half from the United States, half from the Dutch Indies; gold (5,500,000), and silver (2,500,000), which come from the entrepôts of Hong-Kong; steel (1,000,000), which comes from France; soaps (1,300,000), which come almost entirely from France; Chinese and Japanese porcelain (3,100,000), which come from Hong-Kong or from Japan; yarn, between eight and nine millions, the greater part of which (5,000,000) comes from the entrepôts of Hong-Kong. In the supplying of this product the share of France is about eight millions, that of French India about one million, and that of China one million. The importation of bags of jute, in which rice is exported, represents a figure of six millions; two-thirds come from the entrepôts of Singapore and Hong-Kong, the greater part of the remainder comes from British India. The imports of cotton fabrics amount to 23,800,000; in this total the share of France is 19,400,000, that of the French colonies 2,700,000; the share of foreign producers is only one million and a half. Woollen fabrics (1,200,000) come all from France. The importation of Chinese foulards, which arrive directly from China, or through the entrepôt of Hong-Kong, represents a figure of 8,300,000. Paper for the use of Europeans (1,000,000) comes from France, Chinese paper (2,300,000) and the paper intended for ceremonial use (1,700,000) come from China or from Hong-Kong. Machines and mechanical articles (8,100,000) come chiefly from France (5,400,000). England's share (1,300,000) and that of Germany are much less. Cartridges (2,000,000) all come from France, fire-crackers of Chinese production (1,500,000) from Hong-Kong, automobiles (1,100,000) are furnished by France.

As for trinkets (1,200,000), half comes from France, the other half from Annam or from Hong-Kong.

This analysis of the principal articles of importation offers a suggestion identical with that given above relative to exportation. *The place of origin of imports is controlled by their nature.* France furnishes to Indo-China the greater part, one may say almost the totality, of the products of European origin consumed by the colony; but Indo-China is forced to secure from the neighbouring countries of the Far East all the products which Europe is incapable of furnishing. Before French products could replace Chinese products in the native consumption, it would be necessary for the manners and the customs of the Annamites to be completely changed. This evolution could be accomplished only at the end of a very long time; nor would it be desirable for it to take place too quickly. It is indeed possible to observe certain changes in dress: the importation of European cotton fabrics is increasing to the disadvantage of the silk weaves of Chinese origin. But this transformation of dress has only begun. For a very long time to come, the mass of the Annamites will continue to prefer the goods which they have, for centuries, been in the habit of using.

*Criticisms and Conclusions.*—The tariff régime of Indo-China has been the subject of judgements different enough in appearance, but perhaps, in reality, not so diametrically opposed to one another as it appears at first glance. The policy was very freely criticized in 1906, in the colonial congress of Marseilles (see the report of M. Gaisman).<sup>6</sup> In 1908, the elective assemblies and the administrative authorities of Indo-China were called upon, by the Ministry of the Colonies, to give their opinion in the matter. The opinion of the administration of the Indo-Chinese customs and of the taxes was given, in 1908, in a report of M. Boundal, and in 1910 in a report of M. Picanon. A report of the commercial and industrial service of the general administration

of agriculture and commerce was submitted by M. Fetterer, October 21, 1908. The Chambers of Commerce of Haiphong, of Hanoi, and of Saigon, the Chambers of Commerce and Agriculture of Annam and of Cambodia were also called upon to formulate their opinions. The report of M. Guermeur to the Chamber of Commerce of Hanoi (September 20, 1909), and that of M. Mettatal to the Chamber of Commerce of Saigon contain profound studies of the question. There are also available the opinions formulated by the Colonial Council of Cochin-China, by the Upper Council of Indo-China, and finally, the report of the governor-general M. Klobukowski.<sup>7</sup> The opinions expressed by these various persons and organizations seem at first sight quite divergent. On the one hand we find ardent reformers who energetically demand tariff autonomy (see the reports of MM. Boundal, Fetterer, and Guermeur); on the other, more timid minds, who accept the principle laid down in 1892 and who appear to find some modest and partial reforms sufficient. But, in reality, these are differences of temperament rather than divergences of opinion. The former have the courage to speak their whole thought; the latter, anxious not to displease the central power, fearing to come into collision with the prejudices of the French parliament, consider it wiser not to formulate requests that would, they think, have no chance of being granted; they ask only for what they believe they may be able to obtain. The wording of the resolution adopted by the Upper Council of Indo-China in its ordinary session of 1908, is quite characteristic of this state of mind: 'Leaving out of account a system of tariff autonomy, *which would certainly be the most favourable to the economic development of Indo-China, but which the public powers in France would perhaps not be disposed actually to grant us*, the system best suited to replace the existing régime could be established on the general bases which follow . . .' The opinion expressed by the highest Indo-Chinese assembly begins with these words. Does this not



amount to a confession that, if one asks little it is because one dares not ask much ?

What may be gathered from all these reports and resolutions is, that Indo-China is discontented with the tariff régime instituted in 1887 and confirmed by the legislators of 1892. The complaint is sometimes loud, sometimes whispered. But the reading of these documents admits of no misunderstanding as to the inmost feeling of the colony, however lacking one may be in critical acumen and in capacity to interpret veiled suggestions.

The effects produced in Indo-China by the application of the national tariff régime is not, however, quite the same as those we can establish in the case of the small colonies. There are shades of difference, and these are, indeed, of decided importance.

In the first place, it cannot be said that the public revenues of Indo-China have been compromised by the application of the national tariff régime. The revenue from import duties has not ceased to increase. In the last years of the nineteenth century, this revenue was three millions of piastres annually. From 1901 to 1907 it exceeded each year four millions of piastres, except in 1906, when the revenue from the import duties fell to three millions and a half. Beginning with 1908, the figure of five millions and a half was largely exceeded. In 1910, the revenue from the import duties rose to 6,137,000 piastres, the highest point attained so far.<sup>7</sup>

The Indo-Chinese consumer has had to suffer from a rise in the cost of living. It has been argued that the application of the national tariff régime to Indo-China tends in a certain degree to defeat its own aim, the development of the consumption of French products in Indo-China. The high price which the tariff assures French products in the Indo-Chinese market renders them unattainable for the Annamite, whose means are limited. Tariff assimilation has in this way resulted in preventing the Annamite from

adopting our tastes, our customs, our mode of living, by making it impossible for him to buy the articles used by the Europeans. The trade between Indo-China and Europe thus finds itself hampered.

This point is valid in itself; but we must not attribute to it an exaggerated importance. In reality, the Indo-Chinese consumer has suffered much less than those of the small colonies from the increase in the cost of living resulting from the excessive custom duties. The relative importance of the external commerce is less in Indo-China than in the aforesaid colonies. There is, in Indo-China, a very important internal trade. Great quantities of articles produced or manufactured in Indo-China are consumed in the country itself, and their price is not affected by the application of the national tariff. Again, because of the low value of the monetary unit, the *sapèque*, Indo-China has always been one of the colonies where the necessities of life are cheap.<sup>8</sup> For the Indo-Chinese consumer tariff assimilation is, at most, a handicap; it is not a source of distress.

But, on the other hand, tariff assimilation presents in Indo-China a disadvantage which does not manifest itself in the other colonies. It constitutes a handicap in the relations of the colony with the other countries of the Far East. The Oriental countries that have concluded commercial treaties with France assert their claims to the enjoyment in the Indo-Chinese market of the advantages which have been conceded to them in the national market. Indo-China, which obtains no compensative advantages, although she might secure important benefits from the Oriental countries, complains that her interests are neglected. She would like to have the power to negotiate with her neighbours, to obtain concessions in exchange for those which she would grant. For this she would require a tariff autonomy, distinct from the national tariff, as a basis for negotiations. She does not dispute the authority of the mother country; she recognizes perfectly that the conduct

of negotiations falls properly to the ministry of foreign affairs. But she wishes tariff personality. She wishes that, along with the commercial treaties concluded in the interest of the mother country, there might be others concluded in the interest of Indo-China. On the part of a country having twenty millions of inhabitants and situated at the other end of the world, the claim is natural enough. Moreover, it is difficult to see in what way this claim could be prejudicial to the national producer. Since it would be the French government that would negotiate with foreign countries, it would always have the power of refusing concessions other than those which would appear to be acceptable to the mother country. This is the principal complaint of Indo-China. The French protectionists can, without prejudice to their principles, admit the justice of the Indo-Chinese contentions, as can also the advocates of free trade. The reform would, in principle, be acceptable to every one.

Another point to be noted is that the recent suppression of the French half-duty, on the secondary colonial commodities, does not constitute for Indo-China as important an advantage as for the small colonies. In the first place, this suppression is of no benefit to pepper, which, by exception, remains subject to the previous régime. As for coffee, the production of this staple does not seem to promise a very great development in Indo-China. The case is different with tea, but the progress so far accomplished shows that its production is capable of independent development without the encouragement of additional protection. Indo-China, like the other colonies, has asked for the suppression of the half-duty, but this is merely a manifestation of the spirit of colonial co-operation and of the belief that this concession would be easy to obtain. But it has only a mediocre interest for her. This concession would not turn her aside from other demands which bear upon points infinitely more important.<sup>9</sup>

A reform in regard to which every one in Indo-China seems to be in accord, is the suppression of the greater part

of the export duties and of all transit duties. The export duties amounted, up to 1908, to three or four millions of piastres each year in the general budget of Indo-China. The revenue from this source has fallen below two millions, in consequence of the abolition of a certain number of these duties. The export duties are accused of checking the development of exports and of constituting, from the commercial standpoint, a hindrance which is not compensated by the revenues they yield. As for the transit duties, the revenue from them is very small (they bring in hardly 200,000 piastres yearly). They are unfavourable to Indo-China because they divert from her ports merchandise intended for the country beyond. The valley of the Red River is the route naturally indicated for the merchandise intended for southern China. The transit duty turns merchandise away from this route and thus deprives Tonkin of the benefits to be derived from an important traffic movement. In Laos, the injury caused to French commerce is still more considerable. In fact, it is practically impossible to establish an effective tariff barrier upon the very extended and scarcely occupied frontier which separates Laos from the kingdom of Siam. In consequence, the Siamese merchandise, and with it foreign merchandise passing through Siam, enter free in Laos, while that imported by way of the Indo-Chinese ports pays the whole import duty and not the transit duty alone. This situation has the effect of placing Laos in a state of economic dependence upon Siam. In order to remedy this situation, the government proposed, May 6, 1913, a law putting Laos into the free zone.<sup>10</sup> The merchandise passing through Indo-China intended for or coming from Laos would thus be exempt from duty. The products originating in Laos would enter free of duty into the remainder of Indo-China. Only the manufactured products of foreign origin entering by way of Laos into the other parts of Indo-China would be subjected to import duty. The need of a reform of the duties on mer-



chandise in transit through Indo-China to the hinterland shows the importance of a consideration which escaped the legislators of 1892. A continental colony such as Indo-China not only has a power of consumption of her own, but it is also a route by which products intended for the country beyond are forwarded. If it is desired that this route be preferred to others, it must be rendered as easy as possible.

There remains to consider the advantages secured by the industry of the mother country through the application to Indo-China of our tariff duty. An immediate advantage is not to be denied. It is because of this policy of protection that French fabrics have completely supplanted foreign European fabrics in the Indo-Chinese market. In this matter the hope of the legislators of 1892 has not proved vain. But what the legislators did not foresee was, that the protectionist régime would hasten the establishment of textile manufactures in Indo-China. Indo-China would no doubt, in any case, have become eventually an industrial country. Coal and labour are at hand in abundance, and it was naturally tempting to install manufactures. But the temptation would not have been so strong without the high selling price which the application of the metropolitan tariff duty assured. To-day, the protectionists of the mother country are groaning because they have been caught in their own trap. With a little foresight, they could have prevented this result.

In place of the system adopted by the French legislators it would have been possible to devise a more liberal régime, under which Indo-China would have been more rapidly enriched, and would have consumed more. Saigon could have been made a free port, rivalling Hong-Kong and Singapore. It is obvious that the colony would have gained vastly by the régime of liberty, and, since the wealth of imperial states is in great part dependent on that of their colonies, it is not to be believed that France would have lost by it.

## CHAPTER III

### MADAGASCAR AND DEPENDENCIES

*The External Commerce of Madagascar.*—The island of Madagascar contains 590,000 square kilometres. It is a smaller colony than Indo-China, but still it is larger than France. Unlike Indo-China, Madagascar has only a scattered population : three millions of natives in round numbers, to which must be added 10,000 French, 2,000 foreign Europeans, and about 20,000 foreign Asiatics and Africans. The native population is, moreover, very heterogeneous. On the central plateau, which constitutes the most thickly populated region of the island, are the Hovas, a half-civilized people ; but elsewhere, and especially in the south, the people are savages.

The utter lack of ways of communication renders the commercial development of the island particularly difficult. At the time of the adoption of the law of April 16, 1897, placing Madagascar among the assimilated colonies, the external commerce of the island was some twenty millions of francs, imports and exports combined. The exports (about four millions) were insignificant. The larger part of the external trade consisted in imports, half of which came from France or from her colonies, and the other half from England or from her colonies. The share of other countries in the external commerce of Madagascar was but a trifle.

The economic policy of France in Madagascar aimed far more at supplanting the English trade than at developing the external commerce of the colony. The state of mind which this policy exhibits was indeed excusable at first. France and England had been for a long time rivals in Madagascar. Upon the annexation of the island, the French were bent upon

showing the world that the great island was really theirs. The tariff régime of Madagascar, made still more rigorous in 1898, produced its effect. From that time French merchandise completely displaced foreign merchandise in the market of Madagascar. But the external commerce of the colony developed under this régime with extreme slowness.

Indeed, nothing more was to be expected. Transportation between Tananarivo and the coast was effected by means of portage; and this means that it was extremely slow and expensive. It was not until 1900 that the colony was authorized to contract a loan to construct a railroad connecting Tananarivo with the eastern coast of the island. This railroad, the construction of which was very slow, was not entirely finished until the end of 1908. During this whole period, the external commerce of Madagascar remained stationary, oscillating around fifty millions. The imports still constituted the larger part of the external commerce. At the beginning of the present century, they amounted to about forty millions annually. The shipments of material necessary for the building of the railroad, and the illusions under which the French trade laboured as to the importance of the market which the colony would be able to offer for French products, swelled the total imports in the years 1900 to 1902. But soon the effect of the importation of railway-supplies disappeared, and the unreasonable illusions gave way to extreme discouragement. From 1903 to 1908, the sum of the imports oscillated around the figure of thirty millions. The exports, on the other hand, gradually increased. In 1905, the figure of twenty millions was exceeded. On the whole, the progress is, nevertheless, very slow.

The external commerce of Madagascar began to make serious progress when the railroad was finished. Combined imports and exports amounted to 67,000,000 francs in 1909, 78,000,000 in 1910, 92,000,000 in 1911, and in 1912 109,000,000.<sup>1</sup> Thanks to the railroad, the external commerce of Madagascar doubled in four years.

What is more remarkable is the development of the exports, the sum of which, since 1910, has surpassed that of the imports. This is a reassuring symptom for the future. As the country produces more, it can consume more. Accordingly, we are regaining confidence in the future of Madagascar. But it must not be forgotten that the railroad has been the principal cause of the progress shown in recent years.

*Exports.*—The exports of Madagascar amounted in 1912 to nearly sixty millions. They were distributed as follows (in millions of francs) :

France . . . . .	41.1
French colonies . . . . .	2.3
England . . . . .	4.0
English colonies . . . . .	1.3
Germany . . . . .	9.6
Other countries . . . . .	1.3
Total . . . . .	59.6

Thus, France absorbs two-thirds of the products exported by Madagascar. This is a state of affairs dating from 1898. This proportion appeared in that year for the first time and has been maintained ever since. Before 1898 the situation was quite different: the exports for foreign countries exceeded those for France.

The principal articles exported in 1912 were, in the order of their importance: raw hides (10,700,000 francs), two-thirds of which came to France; gold (5,900,000), all of which came to France; caoutchouc (5,100,000), a little more than a half of which came to France and of which the remainder went chiefly to Germany; vanilla (3,900,000), almost all of which came to France; rafia (3,700,000), two-thirds of which came to France and the other third to Germany; salted and preserved meat, which came chiefly to France; manioc (2,900,000), all taken by France; cape peas (2,800,000), which went to England; tan barks (2,300,000), chiefly bought by Germany. Among the less important products, but whose exports still represented a value above one million francs, we find: wax (1,700,000), rice (1,600,000), lard (1,300,000), straw hats



(1,200,000), and oxen (1,000,000). If we compare these figures with those of 1902, we shall appreciate the progress realized in ten years, and the change of direction that has been effected in the economic activity of the colony. Oxen and gold were at that time the leading articles of exportation. The exports of oxen represented more than four millions of francs ; this item has considerably diminished. The exports of gold amounted then to nearly four millions—two-thirds of the present figure. Next came *rafia* (one million), the exportation of which has quadrupled in ten years. The next items in order of importance were wax and raw hides ; each of these items amounted to about 700,000 francs. The exports of wax have simply doubled ; but the exports of raw hides are fifteen times as great as they were ten years ago. The exports of caoutchouc, which were only 500,000 francs in 1902, have increased tenfold. The exports of vanilla and of cape peas, each of which amounted to 300,000 francs in 1902, have likewise increased tenfold. The exports of manioc and of rice, which have been increasing for some years, were then non-existent. Far from exporting rice, Madagascar had to import a considerable quantity, as her production was below her own needs.

This comparison shows that it is chiefly to the development of agriculture that the progress in exports from Madagascar, in the last ten years, has been due. The development of the mining industry has been only secondary. There are as yet no manufacturing industries: it does not appear that there is much promise of industrial development in Madagascar in the future.

*Imports.*—The imports of Madagascar amounted in 1912 to fifty millions of francs. These were distributed as follows, according to countries of origin (in millions of francs) :

France . . . . .	44·2
French colonies . . . . .	1·5
England . . . . .	0·7
English colonies . . . . .	1·8

Germany . . . . .	0.8
Sweden and Norway . . . . .	0.1
America . . . . .	0.2
Other countries . . . . .	0.5
Total . . . . .	49.8

Thus nine-tenths of the merchandise that Madagascar buys outside of her own borders come from France. This enormous preponderance of trade with the mother country dates from 1898 and has become even more marked since that time. England has been completely ousted from the market of Madagascar. Her part in the imports is to-day less than that of Germany, whose trade with Madagascar, though not very important, has, nevertheless, been increasing for some years.

Among the imported products, cotton fabrics occupy a preponderant place. By themselves alone they represent one half of the imports. They come almost exclusively from France. The imports of fabrics have doubled since 1909. This is a sure sign, and quite new, of the greater prosperity of the native population. The imports of wine (about 2,000,000 francs), and of brandy (about 1,000,000), remain stationary. The imports of metal products (4,700,000), of metals (1,700,000), and of foundry products (1,800,000), have been decreasing since the completion of the railroad.

Other imports are of much less importance. As a rule, the several items have made no perceptible progress for ten years. The imports of flour, which amount to 800,000 francs, are not more considerable than in 1902. This proves that the population of European origin has not noticeably increased during ten years. There are products whose importation has greatly decreased; such as rice, which figured for several millions in the statistics of the year 1902, and which figures for only some twenty thousand francs in those of 1912. But this is a change to be viewed with gratification, as it is the result of progress in local cultivation.

The general impression one derives from the detailed analysis of importation since the establishment of tariff

assimilation in Madagascar is one of extremely slow development. If the single item of fabrics be withdrawn from the totals, it would appear that the import trade of Madagascar had diminished rather than increased. This is an absolutely abnormal result. Since we are dealing with a new country, which has from the start had all the advantage of an active public interest, the progress of importation in the last fifteen years should have been enormous ; it has, however, been altogether modest.

*Criticisms and Conclusions.*—Madagascar<sup>2</sup> gives on the whole the impression of a new colony whose growth has been abruptly checked by the application of an ultra-protectionist régime. The commerce of a colony to which so many Frenchmen have brought their capital, should not have been limited to 100,000,000 francs, nor indeed to 150,000,000 or 200,000,000. The results obtained are far from being commensurate with the efforts made.

The high cost of living from which the European in Madagascar suffers, as much as the native, has thwarted the good intentions of the colonists. It has prevented the native from satisfying the new wants which the Europeans were endeavouring to create in him. Customs duties have raised by forty-five per cent the price of cotton goods in Madagascar. Was not this to render the merchandise unattainable for a set of poor customers ?

Thanks to the régime of assimilation, the external commerce of Madagascar is, to be sure, wholly in the hands of the French. But the colony has paid dearly for this gain in French trade. Foreign commerce disappeared, and with it the revenue from the customs duties. Import duties in 1912 brought in only 930,000 francs to the colony. This does not represent a thirtieth of the receipts requisite to budgetary equilibrium. And if we deduct the cost of the collection of these duties, represented by the maintenance of the personnel and outlays for material, amounting to several hundreds of thousands of francs, we shall see that the net revenue is

insignificant. The colony, in order to cover its budgetary requirements, has been obliged to have recourse to other imposts, heavy and ill-suited to its condition. To supplement the customs duties, it has been necessary to create consumption taxes, falling upon French products as well as upon foreign products, which increase still more the cost of European merchandise imported into Madagascar. The natives, the colonists, and the government of the colony have all been sacrificed.

A single French industry, cotton manufacture, has drawn an appreciable profit from the application of the system. This profit may be calculated at approximately ten millions in fifteen years. It was to permit this class of manufactures, important, no doubt, but narrowly limited, to gain these ten millions, that the fortunes of a country larger than France have been compromised. The discrepancy between the advantages gained by the manufacturers and the sacrifices imposed upon the colonials is truly shocking. 'It would have been an advantage to the colony', some one has written, 'to have paid an indemnity of ten millions to the French textile manufactures and thus to have recovered liberty of action in the matter of its customs duties.'<sup>3</sup> This is, of course, not a serious proposition. It is not actually possible to discover definite textile manufacturers subsidized by the taxes paid by the inhabitants of Madagascar. Nevertheless, the colony would have made a good bargain if it could have purchased its tariff autonomy at the price of such an unearned gift to the textile manufacturers.

*Mayotte and Comoro.*—The statistics of the external commerce of Madagascar do not include the external commerce of Mayotte and Comoro, although since 1908 the political authority of the governor-general of Madagascar extends over this archipelago. The archipelago of Comoro, the area of which slightly exceeds 2,000 square kilometres, and which has a population of about 100,000 inhabitants, natives for the most part, was classed in 1896 among the assimilated



## 224 RESULTS OF COLONIAL TARIFF POLICY

colonies.<sup>4</sup> The external commerce of these islands then amounted to about half a million of imports and a little more than one million of exports. In recent years it has risen, on an average, to one million of imports, and to two or three millions of exports. In 1911 the exports even approached the figure of five millions, thanks, above all, to a visible increase in the production of vanilla and to the high price of this product.

The exports of 1911 were distributed in the following manner (in millions of francs) :

Exports to France . . . . .	4.6
Exports to the colonies . . . . .	0.1
Exports to foreign countries . . . . .	0.1
Total . . . . .	4.8

The exports of the colony consist almost entirely in vanilla (3,200,000), and in sugar (600,000), all of which comes to the French market.

The imports, which consist chiefly in rice and in fabrics, are distributed as follows :

Imports from France . . . . .	0.5
Imports from the colonies . . . . .	0.4
Imports from foreign countries . . . . .	0.3
Total . . . . .	1.3

Rice comes from the French colonies. The fabrics come chiefly from France and Pondichéry. The British colonies furnish Comoro with about all that comes to them from foreign countries. There is not much to be said in defence of the application of the national tariff duties to these little islands, which can offer but an insignificant market for the products of French industry. They have been assimilated out of love for a principle, for reasons of symmetry. The advantages that the abolition of the half-duty on vanilla will give to the planters of these islands will largely compensate them for the inconveniences of the tariff régime that has been thrust upon them. It is, of course, not to be supposed that the natives will gain any compensating advantages for the burdens to which they are subjected.

## CHAPTER IV

### THE FRENCH POSSESSIONS IN WEST AFRICA

*The Progress of the External Commerce of French West Africa.*—French West Africa is an immense territory, whose area is estimated at 3,913,250 square kilometres,<sup>1</sup> and whose population is between ten and twelve millions. The different colonies that compose this territory were united under the authority of the same governor-general in 1895. The bond was, however, rather loose during the first years, and it has been only since the decree of October 1902 that the general government of French West Africa has become a reality.

In an analysis of the development of the external commerce of French West Africa since the creation of the general government, it is not worth while to draw a distinction between the different colonies of the group. French West Africa forms a unit from the economic point of view, and it matters little whether the merchandise that enters the colony or that goes out is unloaded or embarked in one port rather than in another. To analyse separately the commercial statistics of Senegal, of Upper-Senegal Niger, of Guinea, of the Ivory Coast and of Dahomey would be a very unsatisfactory method of analysing the real economic development of these colonies. Merchandise intended for the Soudan, for example, has been included, sometimes in the statistics of Senegal, sometimes in the statistics of Upper-Senegal Niger. Down to 1911, the only merchandise credited to the account of Upper-Senegal Niger was that which passed through the customs house in Kayes. Beginning with 1911, there has been carried to the account of this colony the merchandise passing through the customs house in Saint Louis, destined to the Soudan. Hence an apparently considerable increase

in the external commerce of Upper-Senegal Niger, whose imports suddenly pass from seven millions in 1910 to seventeen millions in 1911, with a correlative diminution in imports to Senegal from eighty-two to seventy-four millions. Again, since the railroad reached Kouroussa (1910), much merchandise that formerly took the way of Senegal passes, to-day, by way of Konakry. The statistics of Guinea thus come to be inflated by entries which disappear from the statistics of Senegal. But these variations are without bearing upon the progress of the external commerce of French West Africa. All these border colonies have a common hinterland. There is no more interest in discovering whether a lot of merchandise passes by way of Saint Louis or by way of Konakry than there would be in discovering whether another lot of merchandise passes by way of Marseilles or by way of Havre.

We subjoin a table giving, in millions of francs, the external commerce of French West Africa since 1895 :

<i>Years</i>	<i>Imports</i>	<i>Exports</i>	<i>Total</i>
1895	46.8	31.9	78.7
1896	24.9	31.7	81.2
1897	44.2	35.5	79.8
1898	53.2	45.3	98.6
1899	69.1	47.6	116.7
1900	69.0	60.8	129.8
1901	80.8	50.6	131.4
1902	73.5	57.4	130.9
1903	89.9	71.8	161.8
1904	90.9	65.0	155.9
1905	96.8	56.2	153.0
1906	92.4	70.9	163.4
1907	97.0	80.4	177.4
1908	105.6	84.5	193.1
1909	118.5	109.8	228.4
1910	153.1	125.2	278.3
1911	150.8	117.1	267.9
1912	134.7	118.5	253.2

The rapidity of the progress is remarkable. Since 1895, imports and exports have increased more than threefold. A temporary decrease was shown in 1911 and in 1912, in consequence of the diminution of the production of pea-nuts

and of the crisis in caoutchouc; but now the results of 1913 seem to promise to exceed the magnificent results of the year 1910.<sup>2</sup>

The progress affects both the trade with France and that with foreign countries. Trade with the other colonies does not increase. Imports from the colonies, chiefly the long-cloth imported from French India, amount to about three millions. Exports to the colonies are insignificant.

The imports of French merchandise did not quite reach twenty millions in 1895. Ten years later, in 1905, they exceeded forty millions. In 1910 they very nearly approached seventy millions. Although they decreased in 1911 and 1912, the total still represented a sum three times as great as that registered in 1895.

The imports of foreign merchandise were twenty-four millions in 1895. Ten years later, the fifty million mark was passed. In 1911 they reached eighty millions.

The parallelism between the development of imports of French merchandise and the development of imports of foreign merchandise is remarkable. The progress of the one was not obtained at the expense of the other. It affected both branches of trade simultaneously, and in the same proportion.

In the export trade, the share of the mother country has always been less than in the import trade. In 1895 it was hardly fifteen millions. From 1898 to 1905 it varied between twenty and thirty millions. From 1906 to 1910 the progress was very rapid. In 1910 the seventy-one million mark was passed; there was a fall to fifty-eight millions in 1911.

The exports to foreign countries amounted to seventeen millions in 1895. In 1903 they reached thirty-four millions, having thus doubled in eight years. For some years thereafter they remained stationary, but, beginning with 1909, they made a new advance: forty-four millions in 1909, fifty-three in 1910, fifty-eight in 1911. On the whole, in



exportation, the trade with the mother country seems to have progressed more rapidly than the trade with foreign countries. From 1895 to 1905 inclusive, with the exception of the years 1900 and 1901, the exports to foreign countries exceeded those to France. Since 1906, on the contrary, the exports to France exceeded the exports to foreign countries. But, what should above all be borne in mind, the exports to foreign countries, like the exports to France, have almost quadrupled since 1895. In exportation, as in importation, the régime of commercial liberty has been favourable at the same time to French commerce and to foreign commerce.

*What French West Africa produces and exports.*—The products exported by French West Africa are not so numerous and so varied as might be expected from the immense extent of the territory and the diversity of the climate. Pea-nuts and caoutchouc constitute the larger part. The exportation of pea-nuts amounted in 1912 to 193,600 tons, representing a value of 42,000,000 francs. These figures are perceptibly lower than those of the year 1910 (more than 50,000,000 francs). The lack of rain and the ravages caused by a new insect pest sensibly diminished the production of this article. The pea-nut, nevertheless, represents a good third of the exports of French West Africa. Almost all the pea-nuts are produced in Senegal, and the larger part is exported to the mother country; the other countries of the European continent are, however, beginning to buy appreciable quantities of them.

The exports of caoutchouc are noticeably lower in consequence of the crisis in the trade in this product. The exports of caoutchouc, which had reached thirty-seven millions in 1910, fell to twenty-nine millions in 1911 and to twenty-five millions in 1912. The chief cause of this falling off was the decline in prices resulting from the competition, which for some years has been acute, between the caoutchouc of the forest and the plantation product. The general government of French West Africa has done its best to mitigate the effects

of the crisis. It reduced the figures of average values on caoutchouc so as practically to reduce to a minimum the export duties, the abolition of which had been demanded. It endeavoured to improve the quality of the caoutchouc exported by French West Africa by requiring that the product should be put up in strips thin enough to make inspection of quality easy (decree of September 15, 1912). It seems, however, that the natives, who formerly found an easy source of profit in the gathering of caoutchouc, will be forced in the future to turn their activities towards other forms of production and, above all, towards the new and varied agricultural products. At least, this is the enlightened advice given them by the governor-general Ponty, in his discourse before the opening session of the government, November 10, 1913. The larger part of the caoutchouc exported by French West Africa comes from Guinea. France buys more than half; the remainder goes to England or to Germany.

Another product, the exportation of which has greatly diminished, is gum-arabic, which formerly constituted the most important element in the commerce of Senegal. A serious decline in the price of this product has caused a corresponding decrease in the quantities exported. The exportation of gum-arabic now amounts to a very small sum (less than two millions in 1911, a little more than that in 1912). On the other hand, the progress in other products is very perceptible. The exportation of palm almonds rose from twelve millions in 1910 to fifteen millions in 1911, and to about seventeen millions in 1912. The larger part is gathered in Dahomey and is sent either to Germany or to Nigeria. The exportation of palm oil represented a value of twelve millions in 1911, and of ten millions in 1912. The larger portion comes to France; but Nigeria retains a considerable fraction of what is produced in Dahomey. The exportation of woods from the Ivory Coast and that of oxen from Upper-Senegal is represented to-day by a figure of several millions. Finally, other interesting branches of cultivation are develop-

ing and some of them begin to furnish an appreciable supply for exportation: maize, cocoa, copra, kola nuts, karité butter, rice, cotton, sesamum, offer to the natives various sources of profit whose importance will, doubtless, continue to increase. The efforts to develop the fisheries on the western coast of Africa should also be mentioned. This industry is as yet in its infancy, but the results obtained up to the present are most encouraging.

French West Africa is a country so vast that it must necessarily escape from the specialization upon a single product which has been the vice of so many French colonies. It is probable that the exports of French West Africa will increase in enormous proportions in the course of the present century, and that they will be made up of the most varied products. For a market, there is the entire world ready for these products. French West Africa is not one of the colonies that could be content with selling to the mother country and that would ask no more than to find an assured market in France. Trade with the other countries of Europe is an essential element of the prosperity of French West Africa. This is a consideration that must not be lost sight of.

*What French West Africa buys and consumes.*—Textiles<sup>3</sup> represent more than one-third of the imports—fifty-two millions in 1910, forty-one millions in 1911. It would be difficult to exaggerate the extent of the needs to which these imports correspond. In the immense regions whose union constitutes the general government of French West Africa, there are more than ten millions of inhabitants who, before the arrival of the European merchants, were condemned to almost a complete lack of such goods. What they ask, above all, are cotton fabrics, to protect their bodies from cold and the inclemency of the weather. But almost all of these natives are poor, and they can buy only low-priced cotton goods. Their wants are considerable, but the means of satisfying them are lacking. That is why, in the years when the natives did not make much money out of their pea-nuts



and caoutchouc, as in 1911 and in 1912, the imports of cotton goods declined extraordinarily, but regained ground as soon as the natives' power to buy was somewhat increased.

Cotton goods imported into French West Africa are of several kinds. That for which the Moors of the desert have a traditional preference is the deep blue long-cloth, the colour of which excuses the lack of washing made necessary by the scarcity of water. Pondichéry has always had the speciality of the manufacture of these cotton goods. French India furnishes, also, about half of the long-cloth imported into Senegal and into the Soudan. It is on account of this trade that the French colonies figure for an appreciable amount (about three millions) among the countries of origin of imports, in the commercial statistics of French West Africa. Long-cloth is also manufactured in Holland to meet the requirements of the Moors; it represents more than a million in the import statistics. French manufacturers have likewise begun to produce this class of cotton goods, and to-day a considerable amount of long-cloth arrives from the mother country. It should be noted that England does not manufacture this special fabric. On the other hand, England furnishes the largest part of the cotton goods, white, coloured, or printed, imported into the colony.

According to the statistics of 1911, the fabrics of all kinds imported into Senegal and into Guinea, whence they are carried as far as the Soudan, are distributed according to the countries of origin as follows: The share of France is some ten millions, that of the French colonies two millions and a half, that of England sixteen millions, that of Holland one million and a half, that of Germany one million.<sup>4</sup> The shares of other countries are insignificant. The preponderance of English imports is explained by the fact that only the manufacturers of Lancashire produce in a sufficient quantity to be able to deliver the cotton goods at a very low price, within the reach of the poor native.<sup>5</sup> The French textile manufacturers have earnestly demanded for some years, and



are on the point of obtaining, the transformation of the *ad valorem* duty which at the present time falls upon cotton goods into a specific duty. This is a disguised way of obtaining additional protection in the markets of western Africa. But the rise in the price of cotton goods which will result from an increase in the customs duty, will inevitably reduce the purchases of the natives, and the French producer will assuredly not gain what the English producer will lose. It is very plain, on the other hand, what the native consumer will lose.

On the Ivory Coast and in Dahomey, where there is no additional tax on foreign products and where the natives no longer buy long-cloth, the preponderance of English trade is still more marked. The imports of English fabrics amounted, in the two colonies combined, to seven millions in 1911. The imports of French fabrics (about one million) are slightly lower than the imports of German fabrics.

Among other products imported, must be mentioned: sugars and wines, that come entirely from France; kola, from Sierra Leone; coal, from England;<sup>6</sup> materials used for the construction of railroads, from France; tobacco and alcohol, of which France furnishes the largest part, &c. It would be an error to suppose that, under a régime of free competition, French commerce is fatally destined to fail in the struggle. Subtracting the fabrics referred to above, the share of France in the imports of Dahomey in 1911 was four millions, that of England one million, that of Germany two millions and a half. The same year, deducting the fabrics as before, the share of France in the imports of the Ivory Coast was five millions, that of England four millions, that of Germany two millions and a half. These figures show that the régime of absolute equality is not necessarily fatal to French industry. In Senegal, where French commerce has been established for a longer time, the share of France in the imports (not including fabrics), was in 1911 three millions, while that of England was eight millions<sup>7</sup> and that of Germany three millions. In

Guinea, the share of France approaches seven millions, while those of Germany and of England reach hardly one million and a half each. For Upper Senegal Niger, the share of France is about six millions, while that of England is half a million and that of Germany is insignificant.

It is necessary then to abandon the tradition that French commerce will necessarily be excluded from the French colonies unless it is artificially protected against foreign competition. It is especially through their own colonies that Germany and England carry on business in this part of Africa. Once in the interior, merchandise passes from foreign territory into French territory or reciprocally without always being subject to strict control. But the truth is that Africa is a market vast enough to permit all European producers to make money there.

*Conclusion.*—A comparison between French West Africa and the colonies subject to the régime of tariff assimilation forces itself upon the investigator's attention. If French West Africa has become, in this respect, an immense experiment station, the fact is not due to the machinations of advocates of commercial liberty who skilfully chose the most favourable field for applying their principle. Rather, the fact is due to the force of events. The Portuguese, British, and German colonies in western Africa lie in the midst of the French colonies. It is almost impossible to guard the land frontiers, very extended and for a long time undefined. Not only does merchandise pass in the most natural manner from one colony to another, but even the people themselves move about with the greatest ease. The native tribes emigrate to the regions where they can live most comfortably. It is this extreme mobility of black populations that has obliged European merchants to compete in cheapness in order to retain their custom.<sup>8</sup> International engagements have also exerted a certain influence; but, even if they had not been entered upon, the force of events would have been sufficient to oblige France to practise a liberal economic policy in these regions.

The effect of this policy makes itself felt to-day. The external commerce of western Africa has developed with a rapidity much greater than that of the other colonies. The prosperity of the natives has improved, and their capacity for buying has increased. If merchandise were held at such prices as to be unattainable by them, they would have become discouraged. Tempted by merchandise at low prices, they have made the effort necessary to procure it for themselves, and they have developed their production. The negroes of the Soudan are certainly not more industrious than the Annamites, and their country is not more fertile than Indo-China. Nevertheless, from 1895 (the year of the creation of the general government of French West Africa) to 1911, while the exports of Indo-China increased from 100,000,000 francs to 250,000,000 francs, the exports of French West Africa increased from 32,000,000 francs to 117,000,000 francs. In the one case, an increase of 150 per cent, in the other, an increase of 350 per cent. And does one wish to know what the national commerce has gained? The French exports to Indo-China increased from 28,000,000 francs in 1895 to 85,000,000 francs in 1911; they increased threefold. The French exports to French West Africa increased from hardly 20,000,000 francs in 1895 to 67,000,000 francs in 1911; they increased more than threefold. Accordingly, the progress of French commerce, under a régime of commercial liberty in French West Africa, has been more rapid than the progress of French commerce under a régime of protection in Indo-China.

And while the assimilated colonies were groaning under excessive taxation, and found great difficulty in meeting their fiscal requirements, the financial situation of French West Africa was steadily improving. From year to year the customs receipts gave to the general budget of French West Africa an ever-increasing elasticity. In 1904, the year when it was decided that the receipts from the customs should thereafter be collected for the profit of the general govern-

ment (decree of October 18, 1904, art. 7), the sum total of these receipts was 12,745,613 francs; in 1911 the total had reached 23,996,600 francs. Thus, in seven years the revenue from the customs duties in western Africa almost doubled.

It is true that in French West Africa, as in Indo-China and in Madagascar, allowance must be made for the influence exercised by the execution of great public works. The law of 1903, which authorized the borrowing of 65,000,000 francs, and that of 1907, which authorized the borrowing of 100,000,000 francs, gave a stimulus to imports. The new loan of 167,000,000 francs, which the French parliament authorized at the end of 1913, will permit the pushing forward of these works with new energy. But in this matter the relations of cause and effect are not easily disentangled. It is because French West Africa has become richer that she has been able to give security for more considerable loans, and she has become richer as a consequence of commercial liberty. Thus are exhibited the indirect benefits of commercial liberty, which are not less happy than the direct effects.



## CHAPTER V

### THE FRENCH POSSESSIONS IN EQUATORIAL AFRICA

*What the Tariff Régime of French Equatorial Africa should be.*—A mere glance at a map of Africa is sufficient to suggest what the rational tariff régime for this colony should be. Since the Franco-German agreement of November 4, 1911, French Equatorial Africa, whose population probably ranges between six and eight millions of inhabitants, includes geographically three distinct parts. The first is bounded on the north and north-east by German Kamerun, on the south-east by the River Congo, which separates it from the Belgian colony, on the south by a line which crosses the country and separates it from the Belgian Congo and from the Portuguese district of Cabinda, on the west by the Atlantic Ocean. It has an area in round numbers of 500,000 square kilometres. The German frontier extends over a length of at least 1,200 kilometres; the Belgian frontier extends over about 700 or 800 kilometres, and the Portuguese frontier over 200.<sup>1</sup> The second part, whose area is slightly less than 50,000 square kilometres,<sup>2</sup> is enclosed between German Kamerun and the Belgian Congo. It is a narrow band of land extending from the mouth of the Sangha to the mouth of the Lobay. The Belgian frontier extends over 600 kilometres, the German frontier is about 800 kilometres long. The third part includes an immense territory whose area is equal to more than double that of France, which is bounded on the west by Kamerun, on the south by the Belgian Congo, on the east by the Egyptian Soudan, and whose northern frontier, ill defined, is lost in the Sahara. The German frontier is more than 1,000 kilometres in length; the Belgian frontier may be nearly 1,500. The eastern and

northern frontiers, supposing them to be defined, would present a length equal at least to that of the western and southern combined. It suffices to indicate these figures, purely approximate indeed, that take no account of the windings of the frontier, to show how impracticable it would be to attempt an effective surveillance over so extended a line. It is likewise impossible for the German, Belgian, and French authorities to keep up an army of customs officers along the land frontiers of their colonies. France, in particular, which does not keep up even the number of assistants necessary to assure the surveillance of the maritime frontier of Gabon, cannot organize a surveillance over the whole length of the land frontier of French Equatorial Africa.

It is not difficult to imagine the facilities offered to fraud by such geographical conditions. Men and merchandise pass easily from German territory into French territory, from French territory into Belgian territory. A difference, sometimes even very slight, in the tax collected by the customs is sufficient to make merchants pass through one colony rather than through another. Without going further than Gabon, one encounters a classical example of such evasion. The northern boundary of the conventional basin ends at the port of Sette-Cama, where there are two customs houses : one in the north, in the part of Gabon subject to the system of tariff assimilation, the other in the south, in the part of Gabon included in the conventional basin. French merchandise intended for the conventional basin arrives at the northern office, where it is received free. It enters the conventional basin very soon afterwards, with the greatest ease, having thus escaped the duty which is levied without regard to country of origin at the entrance of this basin. Inversely, foreign merchandise passes through the office of the south and afterwards makes its way to the north, entering the assimilated part of Gabon without having paid the duties of the national customs tariff. The same kind of evasion

arises in the relations among the several colonies. The natives do not hesitate to go hundreds of kilometres to procure products whose importation is forbidden, or that are too heavily taxed. As a fact, one finds in French Equatorial Africa quantities of arms, ammunition, and of other products that have entered by way of Kamerun, Spanish Guinea, or the Portuguese territory of Cabinda.

It is not customs duties alone that shift the course of commercial currents in this way. Internal imposts produce a like result. Thus, a decree of the governor-general of French Equatorial Africa of October 4, 1910, instituted consumption taxes on several products to take effect July 3, 1911, notably on salt, cotton fabrics, and matches. The merchants of equatorial Africa took this decree as a pretext for raising the prices of all commodities, even those not affected by the new taxation. Whereupon the natives, who had formerly descended the river to sell their fish or their manioc at Brazzaville and to make their purchases there, proceeded to transact their business in Belgian territory at Leopoldville. And in this way the greater part of the money introduced by the French into the middle Congo has passed into the Belgian Congo, where three millions of French crowns actually lie in the coffers of the bank of Kinshassa. Thus, in order to procure for the colony some tens of thousands of francs (the tax on salt brought in 51,000 francs in 1912, the tax on cotton goods 10,000 francs, and the tax on matches 16,000 francs), the natives have been turned away from the French market and a considerable profit has been lost to the trade of Brazzaville.

To establish in these regions a customs and fiscal régime, identical in all the colonies, is the only means of preventing fraud and of avoiding these shiftings in traffic, which are useless in themselves and only increase the trouble that the native consumer is obliged to take in order to procure European merchandise. For this an *entente* is needed between France, Germany, and Belgium, an *entente* for

which it would further be necessary to ask the co-operation of Spain and of Portugal. The uniform tariff régime applied to the conventional basin of the Congo is a first step in this direction, but it is necessary to go further. The civilized nations that have undertaken to colonize these regions have an evident interest in entering into a mutual agreement. This is the principal object to be attained. Without such an *entente*, all fiscal measures taken in these regions, whether by the French authorities or by those of other countries, can only encourage fraud and stimulate smuggling.

*The External Commerce of French Equatorial Africa.*—The tariff statistics of French Equatorial Africa should be used with much caution, and it would be very imprudent to draw any conclusion whatever from the figures that indicate the value of the imports and exports. In the first place, we must take into consideration the fact that there were no statistics prior to 1892. Accordingly it is impossible, by making comparisons with the figures of former years, to determine the effects of the application of the national tariff to Gabon, or of the protocol of Lisbon in the conventional basin of the Congo. The basis of comparison is completely lacking.

In the second place, we must bear in mind the importance of the smuggling trade carried on through the neighbouring colonies. In Gabon itself fraud is rampant. The number of customs officials is too small and their health is constantly impaired by the difficult climate and defective dwelling quarters. Accordingly they can perform only a very insufficient surveillance. In this colony there is need of at least eight officials for office service, thirty for active service, and twenty native agents. But in 1913 there were in all three officials for clerical work, nineteen for active service, and eight native agents. Often an interval of several days passes between the delivery of merchandise and the custom house inspection, and during this time any kind of fraud is possible.



The values assigned to the merchandise imported or exported most frequently in no way correspond with the reality. Of this condition some striking illustrations may be offered. Before August 1, 1907, the caoutchouc exported from the conventional basin was valued at four francs per kilogram. After this date the estimates were raised to six francs per kilogram. Now caoutchouc represents the heaviest part of the exports of the conventional basin. The value of the exports was thus suddenly inflated by almost fifty per cent ; but this apparent increase corresponds to no reality. Again, okoumé wood exported from Gabon had for a long time been valued at 100 francs per ton. This figure represented three or four times the real value. The present governor had it reduced to one-half. Hence a paper diminution in volume of exports which is evidently merely apparent. As for imported merchandise, it must be taken into consideration that its value on the coast is much lower than in the interior of the country. For all these reasons, it would be very incautious to draw comparisons on the basis of the values attributed to either imports or exports in official statistics. In Equatorial Africa, in fact, the problem is not the same as elsewhere. The rivalry between French commerce and foreign commerce is of minor importance as compared with that existing between the chartered companies and the free traders. This is the real question at issue. Down to 1899 the French Congo had been neglected. Explorers thought only of extending the colony to the farthest possible limits. It was thought that later there would be abundant opportunity to survey the territory in detail and open up the interior for exploitation. In 1899 the government turned over the work of exploitation to privileged companies, among which almost the whole of the territory of the French Congo was divided. Since then it seems to have regretted this quasi-abdication of its powers. At the beginning of the year 1911 the rights of these companies were limited, and a larger field was opened for the

activities of the free traders. In order to study the economic development of French Equatorial Africa, it is necessary, first of all, to draw a distinction between the share of the chartered companies in the trade of the colony and the share which remains for free traders. In this connexion we may describe the situation to-day as follows. In Gabon the trade of the privileged companies represents hardly a third of the external commerce of the colony. In the middle Congo the trade of these companies is more than one-half of the external commerce of the colony.

One is tempted to make a further distinction between free French trade and the free trade of foreigners. But any one who wished to study the degree in which the development of either the French or the foreign free trade has been affected by the tariff régime, would have to take account of a number of considerations the importance of which it is difficult to fix with precision. The free French trade is evidently much less important than it would be if the privileged companies did not exist, since most Frenchmen desirous of engaging in business in the Congo enter these companies. Again, the French authorities wish to avoid the diplomatic difficulties which might under certain conditions arise out of the monopoly granted to the privileged companies, and have therefore exercised a regard for the free foreign trade which they have not needed to exercise in the matter of the French trade. Accordingly, because of the existence of the chartered companies, the data of the problem studied in this work are, so far as French Equatorial Africa is concerned, absolutely unreliable.

Under the reservation indicated in the foregoing discussion, we may here present the most important items of information that can be drawn from the statistics of French Equatorial Africa.

The external commerce of Gabon does not appear to have made a very perceptible progress. The exports amounted in 1911 to 7,800,000 francs. In this total, the share of

## 242 RESULTS OF COLONIAL TARIFF POLICY

France (2,400,000) represented a third, the share of foreign countries (5,400,000) represented two-thirds.

In order to make a comparison with preceding years, not values, but the quantities exported must be considered. We give the figures that relate to the most interesting of the products :

	NUMBER OF TONS EXPORTED					
	1907.	1908.	1909.	1910.	1911.	1912.
Caoutchouc . . .	486	286	289	314	281	306
Ivory . . . . .	25	21	15	7	6	6
Cocoa . . . . .	75	98	103	92	108	73
Coffee . . . . .	30	20	47	48	21	17
Wood (Ebony excepted)	57,992	67,312	40,113	58,161	101,744	95,418

An examination of this table shows that in the six years exports have been stationary except for the recent progress in export of wood. Ivory, coffee, and cocoa are, for the most part, sent to France. Of the caoutchouc, two-thirds come to France; one-third goes to foreign countries, chiefly to England. As for wood, the largest part goes to foreign countries: the purchases of okoumé wood by Germany in 1911 approached 68,370 tons, representing a value of more than three millions of francs.

Imports in 1911 slightly exceeded six millions. The share of France represents a little more than one-half of this total, the share of foreign countries a little less. Fabrics are the most important article of importation. They constitute about one-third of the importation of Gabon. Two-thirds of these fabrics come from England, the other third comes from France. This is a very remarkable fact. In spite of tariff assimilation and in spite of the existence of the chartered companies, England furnishes Gabon with the larger part of the fabrics that it needs. France has a marked advantage only in beverages and metal products.

The statistics of the custom house receipts for six years also show how slow is the commercial progress of Gabon :

	<i>Import duties. Francs.</i>	<i>Export duties. Francs.</i>	<i>Consumption duties. Francs.</i>	<i>Registration duties. Francs.</i>
1907	621,965	314,668	298,875	38,683
1908	455,283	189,252	236,678	33,284
1909	381,840	167,807	177,809	26,199
1910	497,412	203,062	235,899	32,697
1911	590,937	190,726	481,531	45,966
1912	585,663	346,974	904,094	42,917

There are in Gabon four customs offices. About half of the receipts is collected by that of Cape Lopez. At Libreville and at Loango the receipts are much less important. At Sette-Cama they are insignificant (the reason for this has been indicated above).

All the trade of the middle Congo and of Oubanghi-Chari-Tchad goes through Brazzaville, which was up to 1910 the only station for the customs of the colony, and which remains to-day much the most important. For this colony a distinction is drawn between the general trade and the special trade, something not done for Gabon. In importation the special trade of the middle Congo amounted in 1911 to eight millions and a half in round numbers; it is divided equally between France and foreign countries. The special exportation trade amounted to eighteen millions; in this total France was represented by one-third and foreign countries by two-thirds.

The exports of caoutchouc and of ivory, which represent the heaviest part of the total exports, have remained stationary for some years.

NUMBER OF TONS EXPORTED.

	<i>Ivory.</i>	<i>Caoutchouc.</i>
1907	131	1,357
1908	139	1,155
1909	162	1,447
1910	130	1,344
1911	140	1,416
1912	132	1,416

On the other hand, the exports of copper ore have lately undergone a very interesting development. The exportation



of ore began in 1910; it was then only eight tons. It rose in 1911 to 1,900 tons and in 1912 to 1,968 tons. In importation the statistics of the customs receipts offer a better indication of progress than the value attributed to the imports. These receipts amounted to 706,000 francs in 1907, 416,000 francs in 1908, 449,000 francs in 1909, 633,000 francs in 1910, 787,000 francs in 1911, and 941,000 francs in 1912. After the decrease of the years 1908 and 1909 an advance has quite recently manifested itself. Fabrics constitute the most important item of imports. In 1911 the imports of fabrics amounted to two millions in round numbers. France, England, and Belgium each figure in this total for amounts varying between 500,000 and 600,000 francs. Germany comes next with a figure of 200,000 francs, slightly above that attributed to the Belgian Congo. For other products, notably for beverages, metal work, and arms, France has a marked advantage.

Taken all together, the external commerce of French Equatorial Africa is far from showing the same degree of development as that of French West Africa. There are, however, no *a priori* reasons why the same progress should not have taken place in the one case as in the other. Why then has not the commerce of French Equatorial Africa developed more rapidly? The fault lies, in a certain measure, with the régime of tariff assimilation to which Gabon has been subjected. But that is only a local and special reason. The two fundamental causes for the stationary condition of the external commerce of French Equatorial Africa are: (1) the impediment which the monopoly of the privileged companies offers to the development of free trade; and (2) the condition of neglect under which this colony for a long time suffered. Up to the present time there has not been constructed a single kilometre of railroad in French Equatorial Africa. This explains everything. It was only in 1909 that a modest loan of twenty-one millions was authorized, to the end of setting in motion the first indis-

pensable works. The colony is at present seeking to contract an important loan of 175,000,000 francs. The execution of the great works which this loan will permit will, doubtless, bring about a new development in the economic activity of the colony. But until these works are executed, we cannot expect the commerce of French Equatorial Africa to develop rapidly.

*Criticism of Tariff Assimilation.*—The tariff assimilation of Gabon was evidently a mistake on the part of the legislators of 1892. As a matter of fact, all the reasons that have opposed the inclusion of Senegal and the other colonies of the western coast of Africa among the assimilated colonies apply, with at least as much force, to Gabon. In order to avoid paying the duties of the national tariff, foreign merchandise intended for Gabon enters by way of Kamerun, Spanish Guinea, or the conventional basin of the Congo. This withdrawal of traffic is more injurious than anything else to the economic activity of Gabon. It reduces the revenue from import duties, encourages fraud, and displeases the native, who is obliged to go farther to look for the European products that he desires. The natives in Gabon are particularly poor. The population of this colony is altogether primitive. In order to persuade them to buy European products, it is necessary to offer them at very low prices. To 'penalize the consumption' of these articles by the application of a tariff duty created for the inhabitants of the French national domain, is a singular way of encouraging their purchase.

Tariff assimilation doubles the prices of European merchandise in Gabon. In the first place, it increases the net price of the merchandise by the amount of the high duties collected on their entrance into the colony. Afterwards, by reducing the volume of business, it increases the margin to cover general costs that must be added to the price of each article sold. This second point is very important, practically. A commercial house that could cover general expenses by increasing

by ten per cent the price of its merchandise, if its sales were large, must add thirty per cent to the selling price if its sales dwindle to one-third of the volume that it could handle without increase of personnel or equipment. Thus tariff assimilation, by reducing the number of sales, renders the situation of the French merchant more difficult.

But the fundamental reason why the policy of tariff assimilation in Gabon should be abandoned as soon as possible is that it constitutes an insuperable obstacle to the unification of tariff rates in this part of Africa. It is highly desirable for all the European nations having colonies in these regions to come to some understanding for the adoption of a uniform tariff régime. But in order that France may be able to negotiate to some purpose with the other powers, it is necessary as a preliminary for her to take Gabon out of the list of assimilated colonies.

The bill submitted at the end of 1912 contained a provision having this end in view. It is desirable that this reform be accomplished as soon as possible. As soon as Gabon has been endowed with tariff personality, France will be able, if it prove necessary, to make concessions in this colony to the other powers.

## CHAPTER VI

### ALGERIA <sup>1</sup>

*The Progress of the External Commerce of Algeria.*—The important development of the external commerce of Algeria is a fact that immediately impresses itself upon any one studying the economic history of this country. A few figures will exhibit the importance of the progress accomplished since the acquisition of the colony. In the first years of the reign of Louis Philippe the whole of the external commerce of Algeria did not reach ten millions of francs, imports and exports combined. The figure of 100 millions that had been reached under exceptional conditions in 1845 and 1846, was definitively passed in 1853. The 200 million mark was in turn exceeded in 1859. From 1871 the external commerce of Algeria amounted to more than 300 millions. In 1890 the half-billion mark was attained. Twenty years later, in 1910, the billion mark was passed. The progress has been still more marked in the years following. Even confining ourselves to the figures for the special commerce, always lower than those for the general commerce, we find that the imports and exports of Algeria, combined, reach 1,081,000,000 francs in 1911 and 1,217,000,000 francs in 1912.<sup>2</sup>

Thus the external commerce of Algeria is ten times as great as it was in the middle of the last century. It has increased a hundredfold since the date (1834) when the French government decided to remain in northern Africa.

This progress, which would once have appeared fabulous, is, doubtless, not capable of exciting surprise in those who know how rapidly a new country can develop under the direction of men who have come from countries of a high



degree of civilization. It is the justification of the extended sacrifices made by France south of the Mediterranean.

What we must bear in mind in the present connexion is that this development of the external commerce would have taken place no matter what legal régime was applied. The various tariff measures adopted by the public powers of the mother country had something to do with accelerating or retarding the movement. They have, above all, had the power to change the direction of the development, and that is what they have doubtless aimed at doing. But we must look elsewhere than to public regulations for the causes determining the progress of the commerce of Algeria.

1. The first cause of the growth of the external commerce of Algeria consists in the progress of conquest and pacification. The entire territory of Algeria has not always been open, as to-day, to the colonizing activities of the Europeans. In the beginning the French held only the three cities of Algiers, Bône, and Oran, and their immediate environs. What was then called the external commerce of Algeria was very nearly limited to the merchandise which it was necessary to bring from France in order to assure the subsistence of the troops garrisoning these three cities. What could Algeria produce and export at that time? Evidently nothing.

Little by little the French extended their control, but the work required much time. The struggle against Abdel-Kader was not concluded until 1847. The great Kabilie was not conquered until 1857. Now, so long as the country was unsafe, colonists would neither venture far into the country nor invest large capital in creating important works that would have been exposed to the risks of a renewal of hostilities. Enterprises involving time were impracticable. The zone of action offered for French colonization was thus narrowly limited. As long as the government of the Second Empire lasted, it prudently discouraged the colonists from venturing beyond the narrow strip of land then constituting

the civil territory.<sup>3</sup> It has only been since the beginning of the Third Republic that a different policy has prevailed. To-day, general security is sufficiently assured everywhere and the enterprise of the colonists has ample scope in the 201,251 square kilometres that constitute northern Algeria, not to mention the immense territories of the south (304,517 square kilometres). This progressive increase in the area of Algeria fit for colonization was bound to have as a normal result a parallel development in commerce.

2. The second cause of the development of Algerian commerce consists in the growth of the population in general, and the growth of the European population in particular. At the beginning of the Second Empire, Algeria had only two millions and a half of inhabitants. In 1906 the figure of five millions was passed. The census of March 5, 1911, gives 5,563,828 inhabitants (of whom 5,069,522 are in northern Algeria). A population twice as numerous necessarily consumes and produces more.

But from the point of view of both production and consumption, the quality of the population is of still more importance than the quantity. In this connexion the development of the European population is particularly significant. It is especially this population that produces for exportation and that consumes products coming from outside. In 1872 there were not yet 250,000 Europeans in Algeria. At the census of 1911 there were 795,522. The business relations existing between this population and the rest of the civilized world were bound to develop with its increase in numbers.

3. The third cause rests in the development of public works and especially in the means of communication. At the time of the conquest, Algeria was as lacking in means of communication as a new country. Because of the geographical situation of Africa Minor, which is a kind of island placed between the desert and the sea, the external commerce of Algeria is necessarily carried on almost entirely by

sea. How could ships receive and deliver freight in unimproved harbours? How, lacking roads and railroads, could the products of the interior get to the ports? But all this has changed. Important works have been constructed, although there still remains much to do. Algeria possesses at the present time 3,277 kilometres of railroad open for commercial operation, and 4,610 kilometres of national roads, without counting strategic routes and local roads. Harbour improvements have been executed, not only in the great ports like Algiers and Oran, but also in secondary ports. All the facilities thus offered to trade could not fail to stimulate its development.

4. The fourth cause, which is a consequence of those already given, consists in the development of agricultural industry and of mining. The cultivation of cereals has expanded considerably. The cultivation of the vine and of vegetables, which was, so to speak, non-existent in the early period, supplies to-day an important element in the export trade. The extraction of ores and phosphates used in Europe has also contributed in a large measure to swell this trade. Since she produces more, Algeria buys more. The development of these industries has forced her to import from Europe a vast quantity of machines and tools. Further, the sale of their products, steadily increasing in volume, has procured for the inhabitants resources permitting them to live on a higher scale.

Such are the chief and the essential causes for the development of the external commerce of Algeria. For the analysis of this development the most satisfactory data are furnished by the General Table of the Commerce of France published by the National Administration of the Customs.

In 1839 this publication began to give, for the first time, a series of tables presenting separately, for each of the powers with which France made exchanges, the data for the various articles imported or exported. In the volume for 1839 Algiers is placed (p. 39) not among the French

colonies, but, strange to say, between Egypt and the Barbary States. Raw hides, wool in bulk, bones and horns of cattle, and tallow, constituted then the principal articles imported from Algeria into France. These articles, all of them animal products, represented three-fourths of the Algerian imports into France. Cereals appear lower in the list (3,000 hectolitres), between wax and leeches. Leeches take the seventh place in the classification of articles imported from Algeria, arranged according to value. Algeria sent to the mother country 970,000 leeches. The exports of France to Algeria consisted chiefly in fabrics, wines, sugar, and brandy, that is to say, in articles intended for clothing or for supplying the European population. The volume of French exports to Algeria is given at 1,805,000 francs. But these figures are without interest, for they are made up of *official values*, perceptibly different from actual values.<sup>4</sup> Nevertheless, it is interesting to note that Algiers already reaches the ninth place in the classification of countries receiving imports from France. (In the classification of origin of imports into France it is only thirty-third.)

In 1851 (we prefer to select for comparison the years in which the tariff legislation of Algeria was changed) the situation was already perceptibly improved. The imports from Algeria into France amounted to 16,280,000 francs (actual values). A new product, olive oil, reaches the first place, and represents a sum of more than seven millions of francs. Cereals (120,817 hectolitres) have gained ground. Tobacco and ores take high places in the table. In the classification of countries from which imports are received, Algeria rose to the twelfth place. The exports from France to Algeria reach 60,880,000 francs and place this country fourth in the classification of countries importing from France. But there is no perceptible change in the nature of the products exported to Algeria. The same, or very nearly the same, articles are in the lead.

1867. The figures are higher than in 1851 (67,590,000



francs for the exports from France into Algeria); but Algeria does not ascend in the table, for the development of the commerce of France with the colony is not more rapid than the development of her commerce with foreign countries. (Algeria even falls to the seventh place among countries importing from France.) But one observes a greater variety in the kinds of articles imported and exported. It is a characteristic fact that tools and metal products (2,388,000 francs) have taken an important place among the exports from France.

1884. Imports from Algeria into France rise to 102,114,000 francs; exports from France to Algeria, to 156,713,000 francs. Among the imports from Algeria two new products appear and take an important place: wines and table fruits. The imports of cereals exceed a million of quintals. We have here manifest proof of the development of the agricultural production of Algeria under the Third Republic.

1912. Imports from Algeria into France rise to 427,263,000 francs. Algeria holds the sixth place in the classification of countries of origin of imports, preceded by England, Germany, the United States, Belgium, and Russia. France has received from her 7,654,265 hectolitres of wine, representing a value of 245,994,000 francs, 2,400,000 quintals of cereals, worth more than 63,000,000 of francs, cattle to the value of 25,000,000, table fruits (13,000,000), olive oil (7,000,000), minerals (7,000,000), hides (6,000,000), wool (6,000,000), potatoes (6,000,000), &c. Exports from France to Algeria rise to 568,488,000 francs, ranking Algeria fourth among importing countries, after England, Belgium, and Germany. It is interesting to compare the list of articles exported to Algeria in 1912 with that of the articles exported in 1839. Algiers buys but little wine, brandy, and tobacco from the mother country; she sells these articles. She buys from France, especially, manufactured products: cotton fabrics (69,000,000), tools and metal products (27,000,000), automobiles and bicycles (26,000,000), furniture and wood-

work (about 26,000,000), machines and parts of machines (about 21,000,000), lingerie, clothing, and ready-made articles (17,000,000), paper (17,000,000), prepared skins (13,000,000), chemical products (12,000,000). A single article of food appears among the above products: sugar (20,000,000), which Algeria does not produce.

This rapid summary shows what realities the French legislator had to face in the different epochs in which he drew up regulations regarding the tariff policy of Algeria. It is doubtless true that, in legislating, the French Chambers gave consideration to the possibilities of the future, at least, as much as to the requirements of the present. It is, nevertheless, well to acquaint ourselves with the principal interests that were at stake in these different epochs.

It would also be useful to exhibit the development of the commerce of Algeria with foreign countries. But here comparisons cannot be drawn on so secure a basis.<sup>5</sup> One who wishes to study the development of the foreign commerce of Algeria from 1831 to 1850 must have recourse to a publication of the War Department, entitled *Table of the French Establishments in Algeria*. From 1851 commerce and navigation between Algeria and foreign countries and the French colonies was the subject of a special publication compiled from documents furnished by the Algerian customs service on the model of the statistics of the mother country. But the *official valuations* were retained for Algeria up to 1873. Beginning with 1874, the statistics of the commerce of Algeria with foreign countries and the colonies are published every year at the end of the General Table of the Commerce of France. Beginning with the same year, the antiquated *official valuations* were replaced by the *actual values* applicable to similar merchandise imported into France, with the exception of some articles such as alfa, vegetable horsehair, and minerals, whose value was calculated according to the average rates indicated by the local service.

It is not necessary to warn those who study these questions

against the errors to which they are exposed through mingling and confusing the sources. We may, however, offer a striking example. Before 1894 the commerce between France and Algeria was recorded at the same time by the administration of the customs in France and by the administration of the customs in Algeria. The two sets of statistics never agreed, but this difficulty was solved by suppressing the statistics compiled in Algiers; thereafter the Algerian custom house had nothing to note but the external commerce of Algeria with foreign countries and the French colonies. But when the decree of August 7, 1901, inspired by the ideas of decentralization in favour since 1898, placed the Algerian customs service under the authority of the governor-general, the administration of the Algerian customs believed it necessary to give again, each year, a complete table of the external commerce of Algeria with the mother country, as well as with foreign countries.<sup>6</sup> But the figures of the Algerian customs and those of the national customs inevitably fail to correspond. The discrepancy does not arise wholly from the circumstance that certain merchandise, leaving one country at the end of December, enters another at the beginning of January, which causes them to be assigned to different years. The discrepancy arises mainly from the fact that a decree of the governor-general of Algeria of April 18, 1902, has instituted a commission of valuation in the customs service that can adopt, for merchandise exported from Algeria and for that imported from the neighbouring countries (Tunis, Morocco),<sup>7</sup> rates of valuation other than those fixed by the commission of customs valuation functioning in the mother country under the Ministry of Finances. As an example of the resulting discrepancies, we may note the fact that for 1911 the ordinary wines exported from Algeria to France were valued at twenty-six francs per hectolitre in Algeria and at thirty francs per hectolitre in France. In some years the difference has been much greater (ten francs per hectolitre in Algeria and fifteen

francs per hectolitre in France).<sup>8</sup> It is, then, necessary to be careful never to combine the data collected in the mother country with the data collected in Algeria. It must be added that the creation of this Algerian commission of tariff valuation throws suspicion upon all the comparisons that may be instituted between the Algerian statistics prior to 1902 and those that have been compiled since that date.

Another cause for uncertainty is the perfunctory character of the declarations of exports and imports in Algeria, especially in regard to the products exported for which there are no duties to be paid. The evil is, no doubt, not peculiar to Algeria; but we are justified in believing that it is peculiarly great in this country, since the administration of the Algerian customs has felt the need of inserting at the head of its statistical documents an appeal to importers and to exporters to be more careful in drawing up their declarations.

*What Algeria produces and exports.*—The geographical situation of the countries importing Algerian products is a consideration of capital importance in the matter. At the outset we shall place by themselves the exports to neighbouring countries (Morocco and Tunis) with which Algeria carries on business relations in a great measure by the land frontier. The commerce between Algeria on the one hand and Tunis and Morocco on the other has much similarity with that carried on between the several departments of Algeria. It is part of what a geographer might call, not inappropriately, *the internal commerce of Africa Minor*. From the total of the exports of 1912 (547,100,000 francs) we may then deduct a sum of 42,558,000 francs, which represents the Algerian exports intended for the two neighbouring countries (Morocco 22,527,000 francs, Tunis 20,031,000 francs). There remains a figure of 504,542,000 francs.

With this deduction made, it becomes obvious that the commerce of Algeria with the French colonies is insignificant. Were it not for the tobacco sent by Algeria into the colonies, and particularly into Indo-China, which represents about



five millions, it would, so to speak, amount to nothing. In order to simplify the argument, we may deduct from the total export trade that between Algeria and the colonies (5,602,000 francs). There will then remain an exportation of 499,000,000 francs, which is divided between France and foreign countries as follows :

	<i>Millions of francs.</i>	<i>Per cent.</i>
France . . . . .	400.5	80.1
Northern Europe . . . . .	68	13.6
Foreign Mediterranean countries . . . . .	26	5.2
America and the Far East . . . . .	2.5	0.5

When Algeria surveys her customers, she discovers that she has one great customer, France, which alone absorbs more than four-fifths of her exports. The manufacturing nations of the north of Europe (England, Germany, Belgium, and Holland) are glad to procure from northern Africa raw materials and the products which their soil does not supply. These stand next to France, although far behind. (England 26,900,000; Belgium 15,600,000; Germany 12,700,000; Holland 7,900,000; Russia imports from Algeria by way of the Baltic Sea 3,200,000; Sweden 800,000; Denmark 500,000.) The commerce of Algeria with the Mediterranean countries is relatively insignificant, in spite of their proximity. These countries are essentially agricultural, and grow the same products as northern Africa. Hence they constitute for Algeria competitors, not customers. Italy (with nine millions) stands only a little in advance of the Low Countries in the list of importing countries. Spain, notwithstanding her proximity and the importance of the element of Spanish origin in the population of Algeria, stands lower in the list. Great empires like Austria-Hungary (5,300,000) and Russia (Black Sea, 1,300,000), are only unimportant customers. As for the other parts of the world, but for the United States (2,100,000) they would offer only an insignificant market for Algerian products.

The foregoing analysis exhibits, in the main, the actual

condition of affairs. If it is true that the degree of regard in which the producer holds his customers is regulated by the importance of their purchases, it is easy to guess the inmost sentiments of the Algerian producer.

There remains to be seen what these different customers buy. This will permit us to form a better judgement as to the possibility of changes in the direction of Algerian trade.

Wines constitute for Algeria the chief article of exportation, representing more than half the value of the merchandise sent by Algeria to the mother country (246 millions of the 427 millions in 1912). France buys almost all the wines that Algeria exports. The purchases of wines from Algeria by England, Belgium, the Low Countries, and Germany, represent only some hundreds of thousands of francs for each one of these countries. Other countries offer practically no market for Algerian wines.

This situation is easily explained. Wine is a product whose consumption is limited to a rather narrow field. Our country, which is the greatest wine producer in the world, is at the same time the greatest consumer of it; nowhere else could the Algerian wine-growers find so extensive a clientele as that afforded by France. It is accordingly a very great advantage for Algeria to have its wines admitted on a footing of equality with French wines. Not only do they not suffer from the protective tariff granted to French wines, but they profit by it. It must be added that Algerian wines are often mixed with French wines before being sold for consumption, and both are thereby improved. In the wines sold by France to foreign countries there is thus a certain proportion of Algerian wine, difficult to determine, but considerable. Thus it is an advantage to Algerian wines to pass through the French market before entering other European markets. This is why the foreigner does not buy his wine directly in Algeria. It is not that he is ignorant of the importance of the Algerian vineyards. England, Belgium, the Low Countries, Germany, buy directly in Algeria the wine lees intended

for manufacturing purposes ; but as for the wine itself, it is more convenient for the merchants of these countries to come to France to buy it.

Cereals stand next in importance in the exports of Algeria. For this product, again, France is very nearly the only European customer of Algeria. The exports of cereals from Algeria to France amounted to 63,000,000 francs in 1912. The cereal exports not consigned to France go to the neighbouring countries, Tunis and Morocco.<sup>9</sup> This situation is easily explained. Nowhere could the Algerian exporter find conditions so favourable as in France, where his grain, admitted free of duty, has the benefit of the rise in prices produced artificially by the high customs duties. Next in order of exports are live animals, principally sheep. The situation is the same as for the cereals, and for the same reason. The exports of live animals to France represent a figure of twenty-five millions. Exports not consigned to France go generally to Tunis or Morocco. Table fruits and early vegetables, which are the next most important articles of exportation, come almost entirely to France. The same may be said of olive oil. What does not come to France goes to Tunis (France 7,000,000, Tunis 3,000,000).

In fine, the articles of alimentation that form four-fifths of the Algerian exports come almost without exception to France. What is not sent to France remains in northern Africa to be consumed on the spot or in one of the neighbouring countries. There is only one exception to this rule : the fish which Italian fishermen take on the coast of Algeria and which is then sent to Italy. The purchases of fish made by Italy in Algeria represented 1,328,000 francs in 1912 : it is the principal article exported by Algeria to Italy.

Let us pass to the crude materials of manufacture. Here the situation is quite different. Foreign countries buy extensively from Algeria as does France, and sometimes even more extensively. The exports of raw hides amount to ten millions ; France takes two-thirds of them and foreign

countries one-third. The foreign countries of the north of Europe buy from Algeria three times as much cork as does France (seven millions and a half against two millions and a half). The largest part of the vegetable horsehair (six millions) goes to Italy, Austria, and Germany. Almost all the alfa goes to England : that country buys eight millions of francs' worth of it. The chief part of the phosphates is sent to foreign countries. Germany buys to the amount of three and a half millions, Spain buys three millions, while France buys only one million. The exports of iron ore to foreign countries amount to about fifteen millions : England takes nine millions and a half, and the Low Countries more than four millions. The exports of zinc ore to foreign countries amount to 11,800,000 francs. Belgium takes nine millions. There are also crude materials (cork in the rough, crude tartar, vegetable horsehair, raw hides, wood for cabinet work, &c.), which the United States buys from Algeria.

Manufactured products hold but a very small place in the total of Algerian exportations. If Morocco and Tunis did not buy in Algeria fabrics and clothing, only a single product would be worth mentioning under this head, tobacco, which is the basis of an important industry in Oranie. This industry uses as its raw material not only tobacco produced in Algeria, but also leaf tobacco imported from foreign countries (notably from the United States). The exports of tobacco amount to about twelve millions. Hardly a quarter of this comes to France ; the remainder goes to the French colonies, England, Belgium, and the Low Countries. But we must remember that in respect to this product commercial currents are deflected by the rigour of fiscal monopolies and by the imposts levied in the several countries.

*What Algeria buys and consumes.*—The share of the mother country is greater in the import trade of Algeria than in the export trade. If we deduct from the 670,995,000 francs, which represent the total imports of Algeria in 1912, the imports of Tunisian origin (7,277,000 francs) and Moroccan



## 260 RESULTS OF COLONIAL TARIFF POLICY

origin (9,377,000 francs), there remain 654,331,000 francs, which are distributed as follows :

	<i>Millions of francs.</i>	<i>Per cent.</i>
France . . . . .	568.4	87
Northern Europe . . . . .	31.5	4.8
Foreign Mediterranean countries . . . . .	23.7	3.6
America and the Far East . . . . .	21.3	4.4

Thus Algeria makes about nine-tenths of her purchases in France, an enormous proportion. In the Mediterranean regions and in northern Europe her purchases are relatively less than her sales. In the rest of the world, on the contrary, she buys more than she sells, which is accounted for quite naturally by the fact that those countries furnish commodities not produced in the Mediterranean regions. After England (16,700,000), the chief foreign exporters to Algeria are Brazil (14,500,000, chiefly coffee, 13,000,000), Spain (10,200,000), and the United States (10,000,000). Germany is far behind (5,900,000), a little in advance of Austria-Hungary (4,000,000), Italy (2,600,000), and the Low Countries (2,300,000). That Algeria does not buy more from the Mediterranean countries whose products are similar to her own, is self-explanatory. But it is noteworthy how small a proportion of her purchases is made in the countries of northern Europe. This is evidently a result of tariff assimilation. If we examine the nature of the articles imported into Algeria, we note that they consist chiefly in manufactures, and that these manufactures come from France. And manufactures, as has been shown above, lead in the classification of merchandise exported from France. French exports to Algeria of manufactured products in 1912 exceeded 400,000,000 francs, while foreign imports into Algeria of the same products amounted only to 25,000,000 francs. Manufactures represented more than three-fourths, almost four-fifths, of the Algerian imports from France.

When we examine the imports into Algeria from foreign countries we do not find a similar predominance of manufactures. These imports are distributed as follows :

Articles of alimentation . . . . .	37,367,000 francs
Materials of manufacture . . . . .	39,845,000 „
Manufactured articles . . . . .	25,283,000 „

The products at the head of the list of imports from foreign countries are coffee (14,800,000), coal (11,900,000),<sup>10</sup> wood (10,400,000), machines and mechanical appliances (10,400,000). Next come animals (8,400,000), cereals (5,100,000), and beasts of burden (4,900,000). The animals, cereals, and beasts of burden almost all come from Morocco or from Tunis.<sup>11</sup> Almost all the coffee comes from Brazil. Coal comes chiefly from England (10,000,000), and a small part from Germany (1,500,000). Woods come from Austria (3,000,000), from Sweden, from Russia, and from the United States. As for machines and mechanical appliances, they are chiefly furnished by England (3,700,000) and by the United States (2,600,000). But it is to be borne in mind that France could not undertake to furnish Algeria with wood and coal, since she is herself obliged to import these commodities. Nor could she furnish coffee. As for machines and mechanical appliances, bought by Algeria from foreign countries, these are principally agricultural machines—a speciality of English and American manufacturers.

There are still other elements in the foreign imports that represent specialities that the mother country could not furnish: petroleum from the United States (1,600,000), cheese from Switzerland and from Holland, tea from China, which occupy a position of appreciable importance in the table of Algerian imports. As for leaf tobacco from the United States, Germany, and Austria, this constitutes, as we have seen, the raw material for a flourishing industry in Algeria, whose development could give no offence to the mother country.

One who devotes himself to the somewhat ungrateful task of examining minutely the figures compiled in the statistical documents bearing on the commerce of Algeria, is forced to the general conclusion, that Algeria buys from the mother

country all that the latter is capable of furnishing.<sup>11</sup> One could ask no more.

*Tariff Assimilation and its Advantages.*—A thoroughgoing analysis of the external commerce of Algeria leads naturally to the following conclusion: Tariff assimilation, which has inflicted so much injury upon the colonies proper, has constituted, on the contrary, an immense benefit for Algeria. Thanks to assimilation, four-fifths of the commerce of Algeria takes place under a régime of absolute freedom from duties. There is no other country in the world that sends four-fifths of its exports to a market which they enter without paying any customs duty. Algeria finds in France for the principal products of her agriculture—wines, cereals, animals, fruits, and early vegetables—a steady and certain market sufficient to absorb them. For Algeria this is an important advantage; it is singularly favourable to the development of agricultural production. On the other hand, all the products coming from France, representing nine-tenths of the imports, enter the Algerian territory free of duty, and can be sold to the consumer without having their price raised by duties collected on their entrance into the ports of Africa. This is an appreciable advantage for the Algerian consumer.

This general and reciprocal freedom from duties is, to be sure, limited by certain restrictions, rendered necessary by the existence of indirect internal taxes.<sup>12</sup> Thus in 1912 the Algerian custom house collected duties of 4,226,000 francs on the sugars brought from the mother country. On the other hand, 317,000 francs of customs duties were collected in France on products brought from Algeria (300,000 francs on tobacco). But these exceptions to the general rule, inevitable because of the differences in fiscal régime between the two countries, reduce only to a small degree the beneficial effect of the principle of assimilation.

We must take into account not only the pecuniary advantages proceeding from the fact that the products exchanged by France and Algeria pay no customs duties. We must

likewise bear in mind the conveniences resulting from the simplification of the formalities which is rendered possible by this reciprocal exemption. In consequence of the exemption there is less interference with trade and less loss of time. The importers thus escape the difficulties they would otherwise encounter in moving in the labyrinth of the innumerable tariff classifications and in complying with the required formalities of the customs with the exactness necessary to prevent false declarations, always disagreeable in their consequences, even when they are not intentional.

The following fact shows what value commerce attaches to this question of convenience. Algerian importers who desire to bring in foreign products, often prefer to buy them in the French market, after they have been nationalized by the payment of duties, rather than to buy them directly in the country producing them. Hence arises the unexpected result, that the customs duty paid by these products is a source of profit to the budget of the mother country instead of being a profit to the budget of Algeria. Thus Algeria finds herself deprived of a revenue estimated at a million francs annually. The administration of the Algerian customs has endeavoured to break up this inconvenient habit of the importers, by installing in Algeria a *tariff museum* containing specimens of the different articles of importation, arranged according to the customs classification with the rate of duties indicated.<sup>13</sup> It seeks in this way to give more facilities for information to the merchant who wishes to deal directly with foreign countries. But the fact that the habit of importing through France has developed to such a point as to lead the administration to take such action, is the best proof of the importance attached by the trade to the conveniences afforded by indirect importation. The Algerian traders prefer to pay a little more and to have less trouble.

The producers and the consumers of France and of Algeria obtain thus from tariff assimilation almost all the advantages that they could derive from a complete tariff union. In the



eyes of the French, the tariff assimilation of Algeria constitutes an advance analogous to that which the Germans view as the result of the establishment of the Zollverein. It offers them a more extended internal market, within which their products can circulate freely. At the same time, this assimilation has a political significance to which the national sentiment attaches very great value. The absence of tariff barriers between France and Algeria, like the use of the same postage stamps, gives to the Frenchman who puts his foot upon the soil of northern Africa the impression that he has not left his own country. We are here dealing with the matter of external symbols which exert a great influence upon public opinion, always composed of simple elements. Tariff assimilation thus appears as a powerful political bond between France and Algeria. French opinion considers the French territories south of the Mediterranean and those north of it as two parts of the same country, and it will never admit that the sea can cease to serve as a bond of union between them and become a barrier.

It is true that the inhabitants of Algeria, as consumers, must submit to the high prices which the application of a very high rate of duty establishes in the French market. But they do not have to suffer more than the French consumers. It is not a shock to the Frenchman to find in Algeria the prices to which he was accustomed in France, and since at the south of the Mediterranean he pays less for his coffee and tobacco, he gets the impression that the cost of living is cheaper there. Then, France is the industrial country nearest to Algeria. All other things equal, the Algerian buyer of manufactures would prefer to deal in the French market. He is not in the condition of the inhabitant of the Antilles or of New Caledonia, who is irritated by being forced to bring from Europe and to pay dear for products which he could quickly and cheaply procure from a neighbouring country. The tariff assimilation of Algeria does not interfere with the natural course of commerce; on the contrary,

it favours it. Under these conditions, there is nothing astonishing in the fact that a tariff régime which provokes bitter recriminations in the colonies proper, raises no protests in Algeria.

The other side of the question should also be considered. The Algerian producer profits largely by the protection which our tariff duties accord to the French producer. In our home market, to which he has free access, he sells at high prices his wine, his grain, and his cattle. He has no temptation to send them to foreign countries, as he is persuaded that he would not find there prices equally remunerative. This is a very substantial compensation for him. Algeria profits more than she loses from our customs duties. This does not mean that the tariff is not excessive, or that it would not be preferable for France to adopt a more liberal commercial policy. But this is an altogether different question. One may deny the expediency of our tariff régime; but what is undeniable is that it is an advantage to Algeria to have the same tariff régime as the mother country, whatever that régime may be.

Tariff assimilation has been a delusion for the colonies proper. For Algeria it is a real and material advantage. In the trade between the mother country and the assimilated colonies, the rule of free importation, which is applied without exception to French products imported into the colonies, was, down to recent times, not applied to the importation of colonial products into France under the exceptions of Table E. Even to-day, sugar, which is the staple product of these colonies, continues to be taxed on its entry into France. In the relations of France and Algeria, on the other hand, there are none of these exceptions. The rule applies, without exception, that products pass freely from the one domain to the other. One is impressed forcibly by the balanced character of the trade between France and Algeria. In an average year the products sold by Algeria to France pay very nearly for what France sells to her. The proportion of

the trade of Algeria with the mother country is practically the same for exports and for imports. There is thus an actual equality which prevents recriminations from arising on either side.

What régime, moreover, could be substituted for tariff assimilation, if that policy should be abandoned? Tariff autonomy, no doubt, for there is no practicable alternative. The advantages of tariff autonomy would be as follows: (1) Algeria could lower the customs duties levied on foreign products, which would allow her to buy them more cheaply; (2) She could levy, on French products, duties which would increase her public revenues. At present the customs duties of Algeria yield some ten millions of francs annually: (9,574,782 francs in 1911; 11,862,615 francs in 1912). For a country whose special import trade amounted to more than half a billion, this is remarkably little. Tariff autonomy would permit Algeria to obtain from the levy of tariff duties on French products the revenues which she is forced to raise by internal taxation. It is, above all, on this ground that tariff autonomy might appear to be desirable to the Algerian.

But it is easy to perceive what the Algerians would lose by this. The increase in the price of French merchandise would more than balance the decrease in the prices of foreign merchandise. As a consumer, the Algerian would lose more than he would gain. As a producer, he would suffer cruelly. The mother country would be led, in retaliation, to tax Algerian products on their importation into France. The wine-growers of the south of France, especially, who even now find it hard to contain their jealousy,<sup>14</sup> and who are silent only because they know that they would not be listened to, would hasten to demand the establishment of protective duties in order to rid themselves of the competition of Algerian wines. Next would come the turn of the cereals, cattle, olive oil, &c. The market of the mother country would be lost to the Algerian producer and one may well ask what other market

could take its place. A tariff war between the mother country and her dearest daughter would be as odious as a civil war. The very idea appears intolerable to a Frenchman. And patriotic sentiment aside, it may be said that to erect a barrier where there is none, would not be serving the cause of general liberty of commerce in the world.



## CHAPTER VII

### THE PROTECTORATES OF TUNIS AND MOROCCO

*The External Commerce of Tunis.*—The statistics of the external commerce of Tunis are compiled by the administration of the Tunisian customs houses. They form the subject of an annual publication entitled *Statistical Documents on the Commerce of Tunis*. A summary of it is published in *The General Statistics of Tunis* which is inserted after the annual *Report to the President of the Republic on the Condition of Tunis*.

The external commerce of Tunis has begun to show a considerable development. In the first years of the protectorate it did not amount to fifty millions, imports and exports combined. The figure of 100,000,000 was exceeded in 1899, that of 200,000,000 in 1907, and that of 300,000,000 in 1912. The imports of 1912 amounted to 156,294,000 francs. The countries of origin of imports that enter into this total for sums above one million francs are the following :

France	.	.	.	.	.	.	.	80.2
Algeria	.	.	.	.	.	.	.	17.8
England	.	.	.	.	.	.	.	14.5
Italy	.	.	.	.	.	.	.	8.9
The United States	.	.	.	.	.	.	.	6.6
Russia	.	.	.	.	.	.	.	4.9
Germany	.	.	.	.	.	.	.	3.4
Belgium	.	.	.	.	.	.	.	3.2
Austria	.	.	.	.	.	.	.	2.1
Argentine Republic	.	.	.	.	.	.	.	1.9
Switzerland	.	.	.	.	.	.	.	1.6
Turkey	.	.	.	.	.	.	.	1.6
Brazil	.	.	.	.	.	.	.	1.5
Spain	.	.	.	.	.	.	.	1.1
Sweden	.	.	.	.	.	.	.	1.1

The share of France and of Algeria in the Tunisian imports is slightly above sixty per cent. That of England is about

ten per cent and that of Italy is six per cent. All the other countries combined represent a little less than a quarter of the Tunisian imports. It is a remarkable fact that these proportions already obtained at the end of the last century. The imports have increased, but the proportional part of each country in the total has remained very nearly the same.

Tunisian exports amounted in 1912 to 154,655,000 francs. The importing countries that figure in this total for sums above one million are the following :

France	.	.	.	.	.	.	67.7
Italy	.	.	.	.	.	.	25.2
England	.	.	.	.	.	.	13.7
Belgium	.	.	.	.	.	.	9.0
Algeria	.	.	.	.	.	.	7.7
Tripoli	.	.	.	.	.	.	7.2
Holland	.	.	.	.	.	.	5.2
Germany	.	.	.	.	.	.	3.8
Egypt	.	.	.	.	.	.	3.4
Spain	.	.	.	.	.	.	2.4
Malta	.	.	.	.	.	.	2.3
Austria	.	.	.	.	.	.	1.6
Portugal	.	.	.	.	.	.	1.5

The share of France (forty-three per cent) is perceptibly less in exportation than in importation. It is the same with Algeria (five per cent). On the other hand, the share of Italy was sixteen per cent. That of England (about nine per cent) is almost the same as in the importation. The other countries combined represent twenty-five per cent. If we go back to twenty years ago, we perceive that the proportionate share of France and of Algeria has diminished, while that of foreign countries has increased. In 1894 three-fourths of the exports from Tunis went to France or to Algeria. In 1912 France and Algeria combined absorbed a little less than one-half of the Tunisian exportations. This change is the result of the development of the mining industry in Tunis. Foreign countries buy in Tunis increasing quantities of phosphates and ore.

Of the imports, cotton goods (about eighteen millions)

constitute the most interesting item. Of this branch of the trade, the part of England (six millions and a half) is slightly above that of France, which hardly reaches this figure. The part of Italy does not reach three millions. The part of Belgium is between 700,000 and 800,000 francs; that of Germany, 300,000 francs. Spain, Switzerland, Holland, and British India figure for a smaller, but appreciable sum.

Besides cotton goods we may cite among the principal articles imported wheat (ten millions), which comes chiefly from Algeria, the United States and Russia; barley (three millions), supplied chiefly by Algeria and Russia; maize (two millions), most of which comes from the Argentine Republic; wheat flour, two-thirds of which come from France, and one-third from Algeria; sugars (six millions), supplied almost exclusively by France; coffee (one million and a half), which comes from Brazil; leaf tobacco (1,600,000), half of which comes from the United States; pine wood (two millions), the greater part of which comes from Austria; coal (six millions), the greater part of which comes from England; petroleum (one million), which comes chiefly from Russia; articles of iron and steel (five millions), which come almost entirely from France; soaps (one million and a half), which likewise come from France; jute bags (two millions), imported almost all from France; agricultural machines (one million and a half), which come principally from France or from the United States; automobiles (1,800,000 francs), which come nearly all from France; finally, parcels by post, most of which come from France and which represent a value of more than eight millions. This examination shows that, outside of cotton goods, in which England has maintained her former superiority, Tunis buys little from foreign countries except the products which France does not supply, or is herself obliged to import.

Among the exports, the first place is held by the phosphates (47,700,000), which represent almost one-third of the exports. The exports of phosphates exceeded, in 1912,

nineteen millions of quintals. In this total the share of France is eighteen millions of francs, that of Italy, ten millions, that of England, five millions and a half; Germany (3,300,000), Belgium (2,700,000), Holland (2,300,000), Portugal (1,400,000), Spain (1,000,000), Denmark (1,000,000) and Austria (1,000,000).

Metallic ores occupy the second place in the exports, representing a figure of more than twenty millions of francs. Iron ore (6,400,000) goes almost entirely to England and Holland; lead (7,900,000) goes principally to Belgium, Italy and Spain; zinc ore (5,200,000) goes nearly half to Belgium, half to France and Algeria.

The exports next in importance are: cattle (5,000,000 francs), the greater part of which goes to Tripoli and Malta; sheep (2,500,000), half of which goes to France and Algeria, and about half to Tripoli; Spanish mackerel (1,200,000), which goes almost entirely to Italy; sponges (3,200,000), the greater part of which go to France; wheat (4,000,000), almost the whole of which goes to France; maize (4,800,000), of which three-fourths go to France and one-fourth to Tripoli; oats (5,300,000), the greater part of which goes to France; olive oil (20,000,000), of which France takes three-fourths and Italy the other fourth; cork (1,600,000), of which three-fourths go to Algeria or to France; alfa (4,200,000), which goes almost all to England; wine (5,500,000), which goes almost all to France; chechias (1,000,000), which are bought by Egypt.

From this examination of the exports one discovers that the products of Tunisian agriculture are almost entirely bought either by France or by the neighbouring countries (Algeria, Tripoli). On the other hand, the greater part of the crude materials finds an outlet in foreign countries. A Frenchman may regret this; but it is certainly not the fault of Tunis if French agriculture does not use more phosphates and if French industry does not require more ore or more alfa.

The revenue from the customs duties has increased along



with the external commerce of Tunis.<sup>1</sup> The revenue from the import duties has usually ranged in recent years between four and five millions of francs. In 1912 it rose to the unusual figure of 7,847,784 francs, in consequence of a particularly large importation of cereals. The duties collected from the merchandise imported from France or from Algeria were 1,482,634 francs, and the duties collected from foreign merchandise were 6,365,149. The preceding year the duties collected from merchandise imported from France or from Algeria were 1,238,743 francs, and those collected from the merchandise imported from foreign countries, 4,873,952 francs. As for the export duties, the revenue derived from them varies considerably from one year to another. In 1911 it was only 300,356 francs. In 1912 it rose to 1,124,453 francs. The year 1911 had been exceptionally poor; the year 1912 counts, with the years 1907 and 1908, among the best.

*Critical Considerations.*—The notable development of the external commerce of Tunis during thirty years may appear, at first glance, to be the happy consequence of the tariff autonomy which the protectorate enjoys. In reality, it is chiefly a consequence of the gigantic progress of the mining industry and of the development of public works. We may ask ourselves whether this system, whose adoption would be so advantageous for the French colonies proper, does not offer more inconveniences to Tunis than advantages.

The tariff autonomy of Tunis has for an inevitable result the organization of a whole line of customs on the frontier of Algeria. That one cannot pass from Algeria into Tunis without encountering a custom house official and without being stopped by him, after thirty years of the protectorate, is an absurdity that is no longer tolerable. The fact that the protectorate of Tunis does not belong to the same ministerial department in France as Algeria cannot justify this interference with trade. The trade between Tunis and Algeria, it cannot be too often repeated, presents all the characters

of an internal commerce, and the products of the department of Constantine should be permitted to pass into Tunis as easily as into the department of Algiers. This internal customs barrier, extending over a length of 400 kilometres, from the Mediterranean as far as the Chotts, gives rise to an artificial and unnatural economic rivalry between Algeria and Tunis.

Again, the tariff autonomy of Tunis constitutes a considerable hindrance to the trade with France. The products of the labour of the French colonists in the protectorate enjoy only the theoretical advantage of most-favoured-nation treatment, on their importation into France—an advantage actually common to all the foreign European States. The few products admitted into France duty free under the law of 1890 have the benefit of this favour only under reservation of a whole series of formalities and restrictions, which constitute an embarrassment and a continual menace to the trade. On the other hand, French products arriving in Tunis are held up at the custom house. A certain number of them have, it is true, the benefit of free importation, but it is no less true that others are subject to import duties, the revenue of which exceeds a million annually. It is not so much this charge which is to be regretted, as the annoyance involved. It must not be forgotten that more than half of the Tunisian imports come from France and that two-fifths of the Tunisian exports are consigned to France. What an advantage it would be, if this trade, whose total reaches nearly fifty millions of francs, could proceed under a régime of absolute liberty !

One may ask himself, under these conditions, if the establishment of a complete tariff union between Algeria and Tunis would not be a considerable improvement. Algeria and Tunis would constitute, from the view-point of the tariff, a single territory surrounded by a common customs line, and the revenue of the customs duties collected at the frontiers could be divided between the two countries in the

ratio of their population. The consequences of such a reform would be the following : there would be no longer any need of maintaining a whole army of customs officials, from the Mediterranean to the Sahara. The régime of tariff assimilation to which Tunis would thereafter find herself subjected, would have for her the same advantages as for Algeria. The French market would be opened to the products of Tunis. The cultivation of early vegetables, one of the principal sources of the wealth of Algeria, would undergo a proportionate development in Tunis. The Tunisian colonists would no longer be menaced by the machinations of the wine-growers of the south of France, whose recriminations against them would be deprived of apparent grounds. A future, at once brilliant and assured, would open before them. Exchanges between Tunis and France would no longer be impeded by a whole series of formalities. The operations that attend the transportation of the merchandise from one shore of the Mediterranean to the other would be simplified and expedited.

All these advantages would have, no doubt, their offsetting costs. Tunis would have to abolish the duties on exportation, and the revenue from import duties would visibly decrease. The Tunisian consumer would have to bear the consequences of the rise in prices resulting from the application of our customs tariff. He would, without doubt, pay more for French cotton goods than he pays to-day for English goods. But these inconveniences would be largely compensated by the advantages mentioned above. From a higher point of view, it would appear to be an important moral advantage to do away with the artificial economic antagonism that purely political conditions have established. It would be a still more important moral advantage to treat the French colonists of Tunis as French producers, and to give the inhabitants of the mother country the impression that exchanges with Tunis are not to be regarded as exchanges with a foreign territory. It is evident that a political

advantage would accrue, from the view-point of the preponderance of the French element in the protectorate, from the more intimate relations that would be established between Tunis and France and Algeria. Considerations bearing upon a higher moral and political union would of themselves justify an economic union, so desirable from the point of view of commercial advantage.

There is no longer any diplomatic reason to oppose such a reform, since with the end of the year 1912 France has had the power to denounce article 2 of the arrangement of September 18, 1897, with England. The obstacle to such an arrangement is found in Tunisian particularism, which fears that such a reform might be the prelude to new attacks upon the autonomy of Tunis. It is not so much the tariff union with Algeria that Tunis dreads, as the support that economic assimilation might later give to the movement for political assimilation, which she would with reason reject. Another obstacle is found in the jealousy of certain French agriculturists, who consider the French colonists of Tunis as competitors to be put out of the way. But a lofty patriotism should prevail over these narrow tendencies. In order to assuage the particularism of the Tunisians, and the selfishness of the French agriculturists, and to bring about the desired *entente* between Algeria and Tunis, a superior common organ is needed to take the reform in hand and to bring it to a conclusion. This organ could be no other than a *Ministry of Northern Africa*,<sup>2</sup> whose creation would command the general attention and whose special mission would consist precisely in assuring the predominance of the general interest over local and individual interests.

*The External Commerce of Morocco.*—The French protectorate in the Moroccan empire was established by the treaty of March 30, 1912. The future alone can show what influence the open door policy, which France has been obliged to accept, will exercise over the development of the external commerce of Morocco. For the present, only the results



obtained during the first year of the protectorate can be indicated. Comparison must wait for a later time.

According to the Table of the General Commerce of France (of the year 1912), the exports from France to Morocco amounted to 64,823,000 francs in the general commerce, and to 52,410,000 francs in the special commerce. These figures are much higher than those of the preceding years (thirty-five and twenty-eight millions). This sudden increase in French exports was a natural consequence of the establishment of the protectorate.

The principal articles exported from France to Morocco are: sugars (17,300,000), silk fabrics (6,100,000) and silk (9,200,000), cotton fabrics (1,500,000), tools and metal products (1,200,000), wines (1,600,000), clothing and ready-made articles (1,500,000). These figures are for the special commerce. In the general commerce, one finds cereals (3,000,000), and tea (2,000,000) among the chief articles exported. These products, which pass through the entrepôts of France, supply an important support for French commerce in Morocco. The business to which this trade gives rise, if it does not enrich the French producer, helps, at least, to enrich the French merchant.

The exports from Morocco into France, according to the same document, amounted in 1912 to 24,919,000 francs in the general commerce and to 19,613,000 francs in the special commerce. The principal articles exported (special commerce) are: Hides and raw peltry (5,000,000), dry vegetables (4,200,000), medicinal plants (2,700,000), wool (2,700,000), oleaginous grains and fruits (1,500,000). Cereals, which figure for hardly 900,000 francs in the special commerce, are registered for a value of 3,400,000 francs in the general commerce.

The *Table of the General Commerce of France* likewise indicates the trade of Algeria with Morocco. The exports from Morocco to Algeria amounted in 1912 to 10,342,975 francs (general commerce) and to 9,376,994 francs (special

commerce). Live animals, represented in these totals by more than four millions and a half, constitute nearly one half of the exports. Cereals, clothing and ready-made articles, hides, wool, are articles of exportation next in order.

Moroccan imports from Algeria amounted in 1912 to 32,649,433 francs (general commerce) and 22,527,342 francs (special commerce). Articles figuring for more than one million francs in the general commerce are: tobacco (4,100,000), sugar (3,700,000), cotton fabrics (2,500,000), beasts of burden (2,000,000), wines (1,700,000), clothing and ready-made articles (1,600,000), articles in skin or leather (1,400,000), tea (1,400,000), cereals (1,300,000), and coffee (1,200,000). Sugars, tea and coffee naturally figure for only very small sums in the special commerce. Even tobacco figures for only 2,700,000 francs. But on the other hand, all the other products enumerated above are supplied almost entirely by Algeria, and represent very nearly the same sum in the general and in the special commerce.

According to the customs administration of Morocco,<sup>3</sup> the general commerce of Morocco amounted in 1912 to 227,000,000 francs, imports and exports combined, against 177,000,000 in 1911. The imports, which greatly exceed the exports, amounted to 134,000,000. The principal articles imported are: cotton goods (36,200,000), sugars (29,500,000), tea (6,800,000), wines and alcohol (4,800,000), silk goods and cloth (4,000,000), candles (3,500,000), and construction materials (3,400,000). Almost all the cotton goods are supplied by England (33,000,000 francs). France comes next, but very far behind: imports of French cotton goods, altogether, do not quite reach two millions of francs. Germany and Spain come after France, the former with 300,000 francs and the latter with 200,000 francs. The greater part (about two-thirds) of the sugar imported into Morocco comes from France. But Germany (4,000,000), Austria (2,000,000), Belgium (1,000,000), and the Low Countries (1,000,000) make considerable efforts to develop this branch of their

## 278 RESULTS OF COLONIAL TARIFF POLICY

exports to Morocco. Tea comes principally from England, wines, alcohol and silks from France, cloth from Germany. Candles, formerly bought almost entirely from France, come to-day, for the most part, from England. Building materials are supplied chiefly by England and France.

In the total, the relative shares of the different countries of origin of imports are as follows :

	<i>Per cent.</i>					
France	.	.	.	.	.	44
England	.	.	.	.	.	32
Germany	.	.	.	.	.	8
Spain	.	.	.	.	.	2
Austria	.	.	.	.	.	1

Exports amounted in 1912 to sixty-six millions. The principal articles exported are : cereals (27,000,000), animal products and skins (12,500,000), vegetable products (13,500,000) consisting chiefly of dried vegetables, wool (2,500,000) and oxen (2,000,000). The proportionate shares of the different importing countries are as follows :

	<i>Per cent.</i>					
France	.	.	.	.	.	32
Germany	.	.	.	.	.	22
England	.	.	.	.	.	20
Spain	.	.	.	.	.	10

It is noticeable that Germany and Spain buy more in Morocco than they sell. France and England, on the contrary, sell much more than they buy.

The rank of the several ports in the total trade is as follows : Casablanca 31 per cent, Saffi 14 per cent, Tangier 13 per cent, Mazagan 16 per cent, Larache 8 per cent, Mogador 9 per cent, Rababat 6 per cent, Tetouan 1 per cent. The first place is occupied in Casablanca and in Tangiers by France, in Saffi by Germany, and in the five others by England.

The year 1912, to which these statistics refer, is to be regarded as a point of departure. There is no doubt that the external commerce of Morocco will develop considerably

in the years to come. But will the proportion between the different importing and exporting countries be changed, and in what direction? The régime of the open door will not prevent the share of France from becoming more and more preponderant, if it is true that commerce follows the flag.



## CHAPTER VIII

### CONCLUSION

WHEN one surveys comprehensively the two classes of colonies conceived by the legislators of 1892, a preliminary observation at once forces itself upon the attention. Not one of the non-assimilated colonies complains of the tariff régime to which it is subjected. There is not a single one among them that asks to be transferred to the class of assimilated colonies. Legislative reforms in this direction seem to them eventualities to be dreaded. Their one desire is that the national legislator may be so good as not to occupy himself with them at all.

Of the assimilated colonies, on the contrary, not one is satisfied with its lot.<sup>1</sup> In the several colonies, the complaints may be more or less energetic, the grievances may vary, the recriminations may take one form or another. One colony will show itself more radical and will demand tariff personality, while another will be more diplomatic and will confine itself to petitioning compensation for the burdens of tariff assimilation. But there can be no denying the universal discontent of all these colonies.

How, indeed, could it be otherwise? The inevitable defect of tariff assimilation is its lack of flexibility. How could a garment made to the measure of a man of fifty fit a whole array of men of neither the same age nor the same build? It was nevertheless an equally unreasonable and ridiculous object that the legislators of 1892 sought to attain. They did not realize that not only do the colonies not resemble the mother country, but that further they are different fundamentally among themselves. 'In France,' says M. Artaud,<sup>2</sup>

we have a tariff and we have a classification which, under the name of the '*répertoire* of the tariff' includes more than 80,000 kinds of

merchandise. We have laboratories, experts, a definite procedure of customs appraisals, and we have bonded warehouses. Nothing at all similar exists in the colonies. Some colonies have bonded warehouses, others have none; the articles imported into the colonies are infinitely less numerous and varied than those of our tariff; and again, the proximity of great foreign countries and the needs of the races peopling our possessions result in the importation of articles that our tariff does not know and does not tax, although there would be no inconvenience, and there might even be advantages in taxing them. All this shows that mere exceptions introduced in a tariff created for the mother country cannot meet the needs of the colonies. . . . One cannot dignify with the name of colonial tariff régime an extension to the colonies of taxes planned exclusively for the mother country.

The difficulties raised by the application to the colonies of commercial agreements, concluded by France with foreign powers, offer a startling proof of the vices of the primitive and brutal system of simply extending to the colonies the tariff régime of the mother country. Whatever tariff should be adopted, whether protectionist or liberal, the tariff personality of the colonies ought to be given rational attention. When a country like France has the privilege of possessing an immense colonial empire, scattered through all parts of the globe, its parliament should take the time to study and to discuss the tariff legislation suitable for each of the parts of this empire, with as much care as it would do for the mother country itself. If it is unwilling to do this, it ought to surrender to the local authorities and local assemblies the function of fixing, or at least proposing, the rates to be established.

The term tariff assimilation, applied to the work of the legislators of 1892, is nothing but a deceptive euphemism. When, at the end of the eighteenth century, the Convention for the first time proclaimed assimilation, it was assumed that commerce with the colonies was 'commerce of the nation with a part of the nation'. The object of assimilation was to abolish the tariff barriers between France and her colonies, as the Constituent Assembly had abolished the

internal customs barriers that separated the provinces of France. The Constituent Assembly was animated by a generous ideal of fraternity. The legislators of 1892, on the contrary, were animated by a selfish purpose. The interest of the French manufacturers was the dominant consideration. It was intended that for the future the phrase *sic vos, non vobis* should cease to be applicable to France as a colonizing nation. It has even been urged that, if the colonies carried on more business with foreign countries than with the mother country, our colonial policy would stand condemned. The legislators of 1892 were hypnotized by statistics which they did not take the trouble to analyse, and sought to produce a diminution in the trade of the colonies with foreign countries and an increase in the trade of the colonies with France. To attain this result, tariff assimilation appeared to be a convenient means, a taking watchword, and the legislators made use of it. They were not willing to look higher nor farther. Between assimilation thus understood and the ancient colonial policy there is only the distinction that may be drawn between protection and prohibition. The so-called assimilated colonies are in reality *subject colonies*.<sup>3</sup>

The inconveniences inherent in the general policy of protection are much more acutely felt in the colonies than in the mother country. In the mother country the normal effect of the protective duty is to compel the inhabitants to consume the national products in preference to foreign products, and, consequently, to substitute a market nearer at hand for a market more distant. This is the rather powerful argument which was employed by the American economist Carey in support of the protective system. This bringing together of producer and consumer makes it possible to avoid useless transportation, which represents a real cost in time and expense. But the application of the national protective tariff to the French colonies aims at substituting French products for American products in the market of the

Antilles, for Australian products in the market of New Caledonia, &c., and tends, in consequence, to substitute a more remote market for one nearer at hand. Thus Carey's argument turns in this case against the system of protection.

It is easy to imagine the state of mind this policy creates in the colonies. The colonists are forced to bring goods from a great distance and to pay very dear for them, when it would be easy to buy them at low prices in the neighbourhood. They are forced to undergo the inconvenience of serious delay in the securing of products for which they have urgent need. This creates among them a feeling of irritation against the mother country; it produces a growing misunderstanding, it finally revives the old hatreds which the ancient colonial system engendered. It is always dangerous to create an antithesis, in men's minds, between their attachment to the mother country and their interest.<sup>4</sup> This is to play with fire. Rival nations may be tempted to exploit this discontent and to watch the propitious moment to turn it to their advantage.<sup>5</sup>

Protectionists can hardly deny that the interests of the colonies and of their inhabitants are sacrificed in the system; but they allege that the superior interest of the mother country requires this sacrifice. One would infer from the statements of the protectionists that it is impossible for the national industry to face foreign competition in the colonies under the open door régime. As if the fact of political domination did not in itself constitute a considerable advantage for the national industry, an advantage perhaps even more important than that resulting from the application of the national tariff! In reality, the dangers of foreign competition have been grossly exaggerated by superficial thinkers who are contented to reason on the basis of total imports of foreign merchandise into the colonies, without taking the trouble to analyse the different elements constituting this total. It is very evident that France cannot supply her colonists with the merchandise which she does



not produce and which she is herself forced to obtain from regions having special advantages for producing them. Let us take, for example, the products of Chinese origin consumed by the Annamite population. Such purchases effected by Indo-China in the neighbouring countries of the Far East are in no way a detriment to national commerce. Those countries perform for Indo-China services which she could not expect from us. There is no advantage to the national industry from opposing so natural a current of trade. A large part of the foreign imports into the French colonies is made up, as we have seen, of the coal of England and the petroleum of the United States.

Inasmuch as the mother country is forced to import coal and petroleum for its own needs, it cannot reproach the colonies for doing the same thing. To make a just comparison, it would be necessary to balance the imports of French products against the imports from foreign European countries which France would be in condition to supply. This comparison would show how exaggerated are the protectionist alarms.

There is, moreover, a certain disregard of facts involved in the hard-and-fast distinctions between national imports and foreign imports into the colonies. In practice the situation is much more complex. Foreign European merchandise often reaches the colonies by way of the entrepôts of France. For the year 1911, for example, the foreign merchandise re-exported from France to the French colonies represented a value of more than nine millions of francs.<sup>6</sup> There are French merchants who make their profit by selling foreign merchandise in the French colonies, and there are French shipowners who profit by transporting them. Among the colonial imports of foreign merchandise are items representing the products originating in neighbouring regions, which are carried to the ports of our colonies to be embarked for Europe. On the other hand, European products, whether French or foreign, landed in the ports of our colonies, are

not necessarily kept for these colonies ; they are occasionally transhipped into neighbouring foreign countries. We must bear in mind the existence of the re-export and transit trade. Each of our colonies constitutes *a centre of attraction and of diffusion*, and the importance of its work, from the view-point of the extension of the commercial influence of France, is impossible to determine precisely.<sup>7</sup> China, for example, would consume fewer French products and more German products if Indo-China, instead of being a French colony, were under the rule of Germany. From this point of view one may regard as serious mistakes, on the part of the mother country, all measures that result in the hampering of the trade of one of its colonies with the neighbouring foreign countries.

On the whole, there is only one industry, cotton manufacture, that is seriously interested in maintaining the national tariff in the French colonies. Tariff assimilation has permitted this industry to conquer the markets of Madagascar and Indo-China. Is it reasonable to sacrifice to the interests of a single industry, however important it may be, not only the interests of the colonies and of the colonists, but also those of the great commercial ports, those of the State and, in general, all other interests ?

Furthermore it is permissible to inquire whether this short-sighted policy is conducive to the well-conceived interest even of the cotton industry. The poor native, who is prevented from buying the coarse cotton goods of Manchester, does not therefore buy the products of French industry ; their price is too high for him. The consequence is that the commercial current has been checked, not merely diverted. If the cost of living had been less for the native, it is possible that after having at first bought English cottons, he would have attained to a new degree of prosperity, and would have ended by buying the more expensive products of the French manufacturers. The backward peoples, whom we wish to raise to civilization and in whom we seek gradually

to inculcate our wants, have a whole series of stages to surmount.

The number and wealth of the inhabitants of a colony determine its importance to the mother country. What is important for a merchant is not to be the sole provider for a limited number of customers, but to have numerous customers, and it is more worth while to have two customers than to have one. It is better to sell one quarter of what he consumes to a customer who spends 100,000 francs annually, than to be the exclusive provider for a customer who has only one thousand francs to spend. In the latter case sales amount to only 1,000 francs, in the former, to 25,000.

The colonies are in general poor countries, with a scattered population. Their importance is measured not by the quantity of merchandise which they actually buy, but by that which they will be able to buy later on. We must consider the possibilities of the future, often much greater than one imagines. It is to the interest of the mother country that the population of the colonies should become more numerous and richer. But the high cost of living in the colonies checks the development both of the population and of the wealth. It discourages effort, and the resultant poverty breeds poverty. The inhabitants of the colonies, finding it harder to live, support with greater difficulty the weight of the taxes. The colony finds it difficult to procure revenues, and is therefore obliged to postpone the public works that would have afforded new facilities for trade. Thus countries, often richly endowed by nature, drag along in an anaemic condition incomprehensible to those who do not perceive the interdependence of social phenomena. The development of the sales of the mother country depends, above all, upon the prosperity of the colonies. In short, the controlling principle should be the interest of the colonies, because it is no advantage to the mother country to have unhappy colonies.<sup>8</sup>

Ancient legends have handed down the image of Jealousy

rending herself with her own hands. The system of colonial exclusion existing between the nations has sacrificed the colonies and has aroused the distrust of foreign nations. It has multiplied in the world the germs of discord. What is more, it has compromised seriously the prospective interests of the mother country itself. It is a policy of killing the goose that lays the golden eggs.



## NOTES TO PART I

### CHAPTER I

1. Levasseur, *Histoire du commerce de la France*, tome i, 1911.—Arthur Girault, *Principes de colonisation et de législation coloniale*, 3rd edition, tome i, pp. 139–165.—Pierre Bonassieux, *Les grandes compagnies de commerce*, 1892.—Louis Pauliat, *Louis XIV et la compagnie des Indes orientales de 1664, 1886, and La politique coloniale sous l'ancien régime*, 1887.

2. A company of New France, founded by de Monts in 1603, secured the monopoly of the commerce of Canada. This privilege, it is true, was taken away at the end of some years in consequence of the demands of the merchants of the different maritime regions of the kingdom. See Bonassieux, *Les grandes compagnies de commerce*, pp. 345 ff. Henri IV likewise granted the privilege of the commerce of India to a company founded by Gerard de Roy.

3. Reproduced in Pauliat, *La politique coloniale sous l'ancien régime*, pp. 185 ff.

4. Reproduced in Petit, *Droit public ou gouvernement des colonies françaises*, tome i, p. 4. This work, published 1771, was re-edited in 1911 in the *Collection des économistes et réformateurs sociaux*. (The citations are from the edition of 1771, the pages of which are indicated in brackets in the edition of 1911.)

5. Reproduced in Petit, *op. cit.*, tome i, pp. 10 ff.

6. Reproduced in Petit, *op. cit.*, tome i, pp. 21 ff.

7. Reproduced in Dufresne de Francheville, *Histoire de la compagnie des Indes*, 1738, pp. 177 ff.

8. *Cours complet d'économie politique*, Part IV, chap. xxv.

9. These different pamphlets are found collected in a volume in quarto published in Paris by Desaint, in 1769. Also Dupont de Nemours, *Du commerce et de la compagnie des Indes* (published in the *Éphémérides du citoyen*, 1769, tomes viii, ix, and xi).

10. *Recueil de règlements, édits, déclarations et arrêts concernant le commerce, l'administration de la justice, et la police des colonies françaises de l'Amérique et les engagés*, 2 vols., 1775.—Petit, *op. cit.*, 1771.—Moreau de Saint-Méry, *Lois et constitutions des colonies françaises de l'Amérique sous le vent jusqu'en 1785*, 6 vols.—Arnould, *De la balance du commerce*, 2 vols., 1789.—Schéfer, *La France moderne et le problème colonial*, chap. i.—Arthur Girault, *op. cit.*, pp. 181 ff.—Arnauné, *Le commerce extérieur et les tarifs de douane*, 1911, pp. 39–48.—Pallain, *Les douanes françaises*, 1913, tome i, pp. 196 et seq.—Tramond, *Le régime commercial des Antilles françaises au XVIII<sup>e</sup> siècle*.

11. Tome i, p. 1.

12. With one exception, however. An edict of September 1, 1698, granted to a royal company of Santo Domingo the exclusive privilege of carrying on for fifty years the trade of the southern coast of the island abandoned by the Spaniards (from Cape Tiberon to the river Naybe). It is interesting to note this company obtained the authority to trade directly with foreign countries. On April 2, 1720, it surrendered the concession to the king. Accordingly letters patent of the same month opened the commerce of these regions of the colony to all the subjects of the king. A decree of the Council of State, of September 10, 1720, transferred to the Company of the Indies the rights of the Company of Santo Domingo, but the troubles occasioned by the claims of the Company of the Indies brought about the revocation of this privilege, which revocation was proclaimed by the Lieutenant-General, de Champmérier, February 14, 1724. After that the Company of Santo Domingo ceased to exist.—Petit, *op. cit.*, tome i, pp. 91–95.—Bonassieux, *op. cit.*, pp. 412 ff.

13. These ports were those of Calais, Dieppe, Le Havre, Rouen, Honfleur, Saint-Malo, Morlaix, Brest, Nantes, La Rochelle, Bordeaux, Bayonne, and Cette. There were afterwards added Marseilles (letters patent of February, 1719), Dunkerque (letters patent of October, 1721), and Vannes (decree of the Council of December 21, 1728). Later on a decree of October 31, 1784, opened to the commerce of the colonies all the ports able to receive at average tide vessels of 150 tons. Weber, *La compagnie des Indes*, p. 656.

14. A declaration of the king, of May 14, 1722, interpretative of this article 26, which orders masters of these vessels to present on their arrival in France an inventory of the merchandise loaded by them in the islands, signed and certified by the Commissioners of the Western Domain.

15. Quoted in Petit, *op. cit.*, tome ii, p. 383.

16. *Recueil de règlements* . . . , p. 121.

17. *Op. cit.*, tome ii, p. 406. On the interloping commerce carried on, especially in the bay of Monte Christo (in the north of Santo Domingo at the boundary of the French and Spanish parts of the island), see Beer, *British Colonial Policy*, p. 18.

18. It was the same with the transit privilege : it was first devised for the products of the French colonies (decree of the Council of State of September 28, 1684), and it is only in 1793 that one sees transit privileges accorded to certain articles of foreign merchandise. See Pallain, *Les douanes françaises*, 1913, p. 479.

19. Pallain, *Les douanes françaises*, tome i, p. 519.

20. This exemption had already been proclaimed by a whole series of texts in the time of Louis XIV : June 4 and November 25, 1671 ; July 15, 1673 ; December 1, 1674 ; May 10, 1677 ; and August 27, 1701. All these texts are reproduced in the *Recueil de règlements*.

21. Article 1 : ‘ Beginning with the 1st of October next and in the future, all the merchants of the kingdom shall be at liberty to bring into the ports of Dunkerque, Calais, Dieppe, Havre, Rouen, Honfleur, Saint-Malo, Nantes, La Rochelle, Bordeaux, Bayonne, Cettè, and Marseilles coffees produced by the French islands of America, to be consumed in the kingdom, by paying as import duty into the offices established for such purposes (bureaux des Fermes), regardless of destination, ten livres per

cwt. of the coffees' gross weight. . . ' Article 2 secured for the Company of the Indies the exclusive privilege of the importation of coffee other than that of the said islands. The decrees of the Council of State of December 18, 1836, and of April 2, 1837. All these texts are reproduced in Dufresne de Francheville, *Histoire de la compagnie des Indes*, 1738, pp. 527-579.

22. Memoirs of the king, of August 15, 1763 ; ordinance of March 25, 1765 ; ordinance of August 18, 1766. These different texts are analysed in Petit, *op. cit.*, tome ii, pp. 408 and 409.

23. Petit, *op. cit.*, tome ii, pp. 410 ff.

24. Reproduced in Pallain, *Les douanes françaises*, p. 202, note 3.

25. Réflexion d'un vieillard du pays du Médoc sur l'arrêt du 30 août, 1784, qui permet l'admission des étrangers dans nos colonies, pamphlet in quarto, 1785.

26. Tome i, pp. 326, 327.

27. Boissonade, Saint-Domingue à la veille de la Révolution, 1906, p. 19.

28. Dernis, *Recueil ou collection des titres d'arrêts, édits concernant la compagnie des Indes orientales établie au mois d'août 1664*, 4 vols. in quarto, 1755 to 1756, tome iii, p. 103.

29. Dernis, *op. cit.*, tome iv, p. 202.

30. P. Heinrich, *La Louisiane sous la compagnie des Indes*, pp. 259 ff.

31. Tome i, p. 323.

32. The texts relating to the beaver trade are reproduced in Dufresne de Francheville, *op. cit.*, pp. 388-427, and in the *Recueil de règlements . . .*, pp. 279 ff.

33. Treaty of April 29, 1627, for the establishment of a company of New France, art. 7.

34. See the list of Concessionaries in Dufresne de Francheville, *op. cit.*, p. 3.

35. Decree of July 20, 1721.

36. Raynal, *Histoire philosophique*, tome v (quoted by Arnould, *op. cit.*, p. 321).

37. Dufresne de Francheville, *op. cit.*—Dernis, *op. cit.*—Weber, *La compagnie française des Indes*.

38. E. Depitre, *La toile peinte en France au xvii<sup>e</sup> et au xviii<sup>e</sup> siècle*, 1912.

39. Arnould, *op. cit.*, tome i, p. 276.

40. It is reproduced in Weber, *op. cit.*, pp. 398-506.

41. Répertoire de Guyot, concerning the words *Indies* and *Indult*.

42. *Op. cit.*, tome i, p. 287.

43. Chemin Dupontés, *Les compagnies de colonisation en Afrique occidentale sous Colbert*, 1903.—Cultru, *Histoire du Sénégal*.—Dufresne de Francheville, *op. cit.*, pp. 427-527.

44. The texts relating to the Guinea trade are reproduced in the *Recueil de règlements . . .*, pp. 126-155.

45. Article 2. See, however, the provision of article 9 specially for Saint-Malo.

46. *Op. cit.*, tome i, pp. 299 ff.

47. *Journal officiel*, doc. parl. Sénat., sess. ord. 1888, p. 43 (note of M. Isaac).

48. Collection de mémoires sur les colonies, an X, tome i, pp. 152 ff., and tome iv, pp. 144-211.
49. Oncken Edition, pp. 425-436.
50. *Journal de l'agriculture, de commerce et des finances*, January and May, 1776, and *correspondance* with the ministér de Vergennes in 1782.
51. Du commerce et du gouvernement, chaps. vii and xii.

## CHAPTER II

1. Léon Deschamps, *Les colonies pendant la Révolution*, 1898.—Pallain, *op. cit.*, tome i, pp. 204 ff.—Arnauné, *op. cit.*, pp. 144-152.—Schéfer, *op. cit.*—Levasseur, *Histoire du commerce de la France*, 1912, tome ii, pp. 1-22.—Magnien, *Commerce des Français aux colonies*, an IV. One can find the legislative texts cited in this chapter, by their dates, in Duvergier, *Collection des lois et décrets*.
2. L'Ancien régime et la Révolution, p. 274.
3. Sitting of November 30, 1790 : ' I demand liberty in the sense that it shall be for the protection of the national commerce and that it shall watch over the security of our manufactures. . . . I ask you to grant to commerce the liberty to exist. (Quoted by Arnauné, *op. cit.*, p. 114.)
4. Les douanes françaises, p. 302.
5. Les douanes françaises, p. 266.

## CHAPTER III

1. De Chazelles, *Études sur le système colonial*, 1860.—Schéfer, *La France moderne et le problème colonial*, 1907.—Arnauné, *op. cit.*, pp. 144 ff. and pp. 178-192.
2. Decree of Frimaire 25, year X, declaring that only French sailing vessels shall be permitted to carry on the commerce of Senegal. Decree of Germinal 7, year X, declaring that no duty shall be collected on French sailing-vessels on their entrance to the river country of Senegal, and establishing export duties on gum, ivory tusks, and other products of the country. Decree of Floreal 8, year X, relative to the admission to the government warehouses of blue long-cloth and other articles of merchandise intended for the coast of Africa. Decree of Thermidor 11, year X, and law of Floreal 8, year XI, declaring that the merchandise called *de traite* (of the slave-trade), although prohibited in France, may be received in transit trade.
3. Law of April 30, 1906. Decrees of August 5 and of October 2, 1910.
4. Decrees of Berlin (November 21, 1906) and of Milan (December 21, 1907).
5. Levasseur, *op. cit.*, tome ii, p. 127.
6. De Chazelles, *Études sur le système colonial*, p. 71.
7. Levasseur, *op. cit.*, tome ii, pp. 70-93.
8. Ten per cent. on live animals, 15 fr. per 100 kilos on salt beef, 3.50 fr. per hectolitre on dry vegetables, 2 fr. per hecto. on maize, 7 fr. per kilo on cod and rice, 5 fr. per 100 kilos on salt, 7 per cent on tobacco, 4 per cent on other products.



9. Arnauné, *op. cit.*, pp. 179–181.

10. Duty of 10 fr. per 100 kilos, raised to 16 fr. in 1839, and to 25 fr. in 1840.

11. Levasseur, *op. cit.*, tome ii, p. 178.

12. Pallain, *Les douanes françaises*, tome i, pp. 169 ff.—Larcher, *Traité élémentaire de législation algérienne*, 2nd edition, 1911, pp. 169 ff.—Ch. Vernet, *Les douanes d'Algérie*.

13. The foreign flag was admitted to participation in the Franco-Algerian navigation by an ordinance of February 23, 1837; but this liberal régime lasted but a short time. An ordinance of December 7, 1841, re-established, less than four years afterwards, the monopoly of the flag.

14. Menerville, *Dictionnaire de législation algérienne*. See 'Douanes'.

15. See the official explanation in the *Moniteur* of May 13, 1850, and the report of M. Ch. Dupin in the *Moniteur* of the 10th and 14th of December, 1850.

#### CHAPTER IV

1. Pallain, *Les douanes françaises*, pp. 687–701.

2. F. Bastiat, *Cobden et la ligue*.

3. See the decree of September 24, 1864, which defines the ton used in freight.

4. This article merely reproduces and confirms the provision of article 1 of a decree of October 6, 1862.

5. Report of M. Milhé Poutingon in the Colonial Congress of Bordeaux, 1907, p. 492.

6. Cass, March 11, 1885 (S. 85, I. 425); June 5, 1885 (S. 90, I. 336); January 7, 1896 (S. 96, I. 40); Cass, March 15, 1898 (Dareste, 1898, p. 73).

7. It is proper to note here, likewise, the decree of June 25, 1860, opening the southern frontier to products coming from the Sahara and the Soudan. Prior to this decree, the southern part of Algeria had been closed to all foreign importation and the native chiefs were commissioned to prevent all infiltration of products from the south.

#### CHAPTER V

1. Arthur Girault, *Principes de colonisation et de législation coloniale*, 3rd edition, tome i, p. 58.

2. *Traité de législation coloniale*, 3rd edition, tome i, p. 15.

3. Foreign sugars are subjected on their importation into Algeria to the same additional taxes as on their importation into France.

4. See the articles of M. Colin (*Revue politique et parlementaire*, June 1896) and of M. Morand (*Revue algérienne et tunisienne*, 1897, pp. 33–47).

5. Letter of M. Félix Faure, Under-Secretary of State for the Colonies, to the Presidents of the Councils-General of Martinique, Guadeloupe, and Reunion, January 24, 1884 (reproduced by De Lanessan, *L'expansion coloniale de la France*, 1886, p. 965).

6. Arts. 43 and 46 of the decree relating to Saint-Pierre and Miquelon; 42 and 45 relating to New Caledonia and to the establishments of Oceania.

7. René Ferry, *Étude sur le régime douanier de l'Indo-Chine*, Thesis, Paris, 1912.

8. Ganter Collection, p. 140.

9. Collection of Lafont and Fonssagrives, 'Douanes'.

10. 'The Congress, joining in principle in the wishes of the Chamber of Commerce of Saigon that the tariff régime inaugurated by the decree of September 8, 1887, and modified by that of May 9, 1889, be abolished with the least possible delay, and that the freedom of the Indo-Chinese commerce be re-established, resolves :

1. That, while waiting for satisfaction to be given to this demand, the general tariff be replaced by a special tariff, the duties of which shall not exceed 10 per cent, and from which all French merchandise shall be exempt.

2. That the tariff formalities be rendered as simple as possible.

3. That articles passing through Indo-China be exempt from all duty.'

11. Reports of M. Thomson to the Chamber of Deputies (*Journal off.*, doc. parl., sess. ord. 1881, pp. 877-84) and of M. Trarieux to the Senate (*Journal off.*, doc. parl., sess. extr. 1891, p. 592).

12. Colonial Congress of Marseilles, tome ii, p. 51.

13. R. Ferry, *op. cit.*, pp. 60-64.

14. Pallain, *Les douanes françaises*, tome i, p. 217.

15. This text is to-day replaced by the more general provision of article 33, paragraph 3, of the law of April 13, 1900.

16. For products coming from Algeria, see *infra*, pp. 119 ff.

17. See *infra*, p. 149.

18. Pallain, *Les douanes françaises*, tome i, p. 226.

19. The new tariff régime of the colonies (*Journal des économistes*, October 1892 and November 1893), *Annuaire de législation française*, pp. 250-7.

20. Chamber of Deputies, sitting of February 22, 1910 (interpellation Gerant-Richard). Senate, sittings of March 14 and 25, 1910 (discourse of MM. Flandrin, Milles-Lacroix, and Cicéron).

21. Annex no. 51, p. 202.

22. In 1912 the returns from sugar were 181,822,000 francs; coffee, 149,294,000 francs; cocoa, 29,700,000 francs; pepper, 6,040,000 francs.

23. Ferry, *Le régime douanier de l'Indo-Chine*, p. 99.

24. *Les douanes françaises*, tome i, p. 221.

25. Decree of March 6, 1906. This decree has re-established, for Senegal only, the ancient specific duty on longcloth which the decree of 1905 had replaced by a tax *ad valorem*. This duty is 0,025 per metre, plus a surtax of 0,06 on longcloth of foreign origin.

26. In the basin of the Casamance, a region enclosed between the English Gambia and Portuguese Guinea, a decree of January 31, 1907, reduced the duties on certain products which, since the new tariff had been put into action, entered by way of foreign colonies.

The traditional franchise of the island of Goree, which had no longer a reason for existing, was suppressed by a decree of August 2, 1912.

27. Since the decree of February 11, 1906. Before this date the region of Nyanga-Mayumba and that of Loango, which are situated in the conventional basin, were parts of the Middle Congo, and Gabon remained

altogether outside of this basin. The decree of February 11, 1906, which enlarged Gabon by connecting these two regions with it, has evidently not had the effect of modifying the economic régime to which they were subjected in virtue of the Act of Berlin.

In reality, the part of Gabon situated outside of the conventional basin has an area of about 200,000 square kilometres. The remainder of French Equatorial Africa has about one million and a half square kilometres.

28. Letters exchanged in Lisbon and published in the *Official Journal of the French Republic* of October 29, 1906 (*Journal officiel de la République française*).

29. Decree of June 30, 1911 ; decree of June 27, 1912.

30. Decree of the Governor, November 1, 1910.

31. Report on the situation of Tahiti in 1912 (*Journal officiel de la République française*, 1913, annexed folios 105-6.

32. Law of April 14, 1904, art. 1.

33. On the condition of the New Hebrides, see the articles of M. Politi in the *Revue générale de droit international public*, 1901, pp. 121 ff., and 230 ff., 1904, pp. 755 ff., 1907, pp. 699 ff.

34. Ferry, *Le régime douanier de l'Indo-Chine*, pp. 90-8.

35. For the development of this idea, I refer the reader to my *Principes de colonisation et de législation coloniale*, 3rd edition, tome iii, pp. 5-8, and to a series of articles appearing in the *Dépêche coloniale* in the month of August 1908.

36. Report of M. Gervais to the Senate on the budget of the colonies for 1911, annex no. 51, p. 196.

37. See in regard to this what has been said above on the additional warehouse taxes and of the regulations relative to navigation. See likewise what will be said farther on about commercial conventions signed by France with foreign powers. Note also that article 7 of the law of March 29, 1910, makes, in regard to the application of the revised tariff régime to the colonies and to colonial products, a reservation which in no way concerns Algeria.

38. Algeria, the colonies, French possessions and countries of Indo-China under the protectorate are covered in the following texts : decree of December 30, 1893, granting the benefit of the minimum tariff to Spain ; decree of August 16, 1895, granting the benefit of the minimum tariff to Switzerland ; decree of February 7, 1899, granting the benefit of the minimum tariff to Italy ; decree of February 11, 1910, granting the benefit of the minimum tariff to certain products of Canada. Tunis is covered also by agreements made with Salvador, January 9 ; with Costa Rica, June 7, 1901 ; with Denmark for the Danish Antilles, June 7, 1901 ; with the Independent State of the Congo, February 21, 1901 ; with Great Britain, for Zanzibar, June 27, 1901, for Seychelles, April 16, 1902, for Jamaica, August 8, 1902, for the British Indies, and for Ceylon, February 19, 1903, for the protectorates of East Africa, February 23, 1903, for the Barbadoes, January 9, 1907 ; with the Low Countries for the Dutch Indies, August 13, 1902 ; with Honduras, February 11, 1902 ; with Nicaragua, December 2, 1903. As concerns Brazil, Algeria and the colonies are covered by the law of July 17, 1900, which authorizes the government to grant the

minimum tariff to coffee and other colonial commodities produced by this country, but not in the decree of the same day rendered in execution of this law. There is no doubt, nevertheless, that the colonial commodities of Brazil enjoy the minimum tariff in Algeria and in the French colonies.

On the other hand, there exists a whole series of agreements stipulating simply reciprocal most-favoured-nation treatment that make no mention of Algeria and the colonies. Example : the convention of February 19, 1902, with Venezuela. See likewise the agreement of September 16/29 with Russia, article 10 of which simply contemplates the possibility of an extension to Tunis resulting from a declaration exchanged between the two High Contracting Parties. In all these agreements, the extension of the minimum tariff to Algeria and to the colonies is understood.

39. This provision has already been met with in a first agreement signed previously with Bulgaria, June 4, 1897, article 12 (promulgated by decree, January 20, 1898).

40. See the report of M. Gervais, senator, upon the budget of the ministry of the colonies for the year 1911 (annex No. 151, p. 195).

41. M. Bompard, preface to The Annotated Code of Tunis.

42. Treaty of September 28, 1896.

43. Declaration of October 2, 1896.

44. Declaration of October 14, 1896.

45. Declaration of November 18, 1896.

46. Declaration of January 12, 1897.

47. Declaration of January 26, 1897.

48. Arrangement of September 18, 1897.

49. Declaration of May 5, 1897.

50. Declaration of April 3, 1897.

51. Declaration of April 19, 1898.

52. Ninth Resolution adopted by the Association of French Industry and Agriculture in the sitting of May 19, 1913 (*Le Travail national* of May 25–June 15, 1913, p. 166).

53. This additional tax had been established in the caidats of Sous Monastir, Mahdia, and Djemmal, by a decree of October 29, 1903, and in those of Spax and of Skira by decree of November 19, 1908.

## CHAPTER VI

1. Bouchie de Belle, 'Le nouveau régime douanier des colonies' (*Journal des Économistes*, October, 1892, and November, 1893).—Arthur Girault, 'Le nouveau régime douanier des colonies et ses résultats' (*Revue d'Économie politique*, 1894, pp. 854 ff.).

2. Founded in 1897.

3. *The Temps*, in particular, supports the greater number of the demands of the colonial party.

4. Report of Harmand to the Congress of the Ancient Colonies, p. 15.

5. Report of Severe (*Journal off.*, doc. parl., Chamber of Deputies, sess. ord. 1903, annex 670).

6. *L'Économiste français*.

7. With a reservation, however ; the congress of the Ancient Colonies,



in which the idea of the creation of a general government for the American colonies had encountered a strong opposition, has purposely avoided reproducing the conclusion of the resolution adopted by the Congress of Marseilles. But this divergence of political opinion which caused the fourth to be suppressed indicates no economic divergence.

8. Report of the senator, M. Gervais, on the budget of the colonies for 1911.

9. Annex 2,366.

10. Pages 137 ff.

11. See above, p. 72.

12. Arnauné, *Le commerce extérieur et les tarifs de douane*, 1911.— Also the articles of M. Fallot in the *Revue politique et parlementaire* (November 1912), and in the *Journal des Économistes* (March 1913), of M. Payen in the *Revue économique internationale* (May 1913), of M. Paul Leroy-Beaulieu in the *Économiste français* (February 1913), of M. François Bernard in the *Revue d'Économie politique* (July–August 1913).

13. See the official explanation of the bill of July 1900.

14. Annex 1837 (*Journal off.*, doc. parl., Chamber of Deputies, sess. ord. 1900, pp. 2526–7).

15. See *Le Travail national* of May 25–June 15, 1913.

16. De Martens, *Recueil des traites*, tome 17, p. 143.

17. Reproduced in Rouard de Card, *Les Relations de l'Espagne et du Maroc aux XVIII<sup>e</sup> et XIX<sup>e</sup> siècles*, p. 203.

18. Annex 13 to the Report of M. Long (Chamber of Deputies, extra session of 1911, No. 1413).

19. See *Le Travail national* of May 25–June 15, 1913, pp. 164–6.

20. See my *Principes de colonisation et législation coloniale*, 3rd ed., tome iii, p. 550.

## NOTES TO PART II

### INTRODUCTION

1. See the *Quinzaine coloniale* (*The Colonial Fortnightly*).
2. Notice No. 10. The Production of the French Possessions in 1911 and in 1912. Marseilles, 1913.
3. The Protectorate treaty is of March 30, 1912 ; it was ratified by the law of July 15, 1912.
4. Foreign oxen, 2,085 cwt. ; oxen from Algeria and from the colonies, 22,985.—Foreign sheep, 201 cwt. ; sheep from Algeria and from Tunis, 307,763 cwt.
5. Foreign wheat, 5,701,602 cwt. ; wheat from Algeria and from Tunis, 1,410,289 cwt.—Oats from foreign countries, 1,417,486 cwt. ; from Algeria and from Tunis, 749,407 cwt.—Barley from foreign countries, 409,281 cwt. ; from Algeria and from Tunis, 960,168.
6. Rice in the husk : foreign, 240,784 quintals ; colonies, 341,925 quintals.
7. Copra : foreign, 431,852 quintals ; colonies, 103,212 quintals.
8. Pea-nuts in the shells : foreign, 784,116 quintals ; colonies, 1,439,785 quintals.—Shelled pea-nuts : foreign, 1,754,854 quintals ; colonies, 697,505 quintals.
9. Analytical résumé, table No. 29.
10. Coffee beans : foreign, 1,088,471 quintals ; colonies, 23,915 quintals.—Cocoa beans : foreign, 253,635 quintals ; colonies, 15,268 quintals.
11. 26,581 quintals in a total of 28,292.
12. 3,420 quintals in a total of 9,671.
13. Vanilla : foreign, 18,703 kilogrammes ; colonies, 33,823.
14. Phosphates : foreign, 1,670,786 quintals ; Algeria, Tunis, and the colonies, 7,407,661 quintals.
15. Analytical résumé, tables Nos. 15 and 16.
16. According to a report from the Chamber of Commerce of Marseilles, the volume of trade between the port and the colonies in 1910 was represented by a sum of 819,500,000 francs, of which 580,000,000 were for Algeria and Tunis, 73,000,000 for Western Africa, 59,000,000 for Indo-China, 31,000,000 for Madagascar, and 23,000,000 for the Antilles. (*Quinzaine coloniale*, December 25, 1912.)

### CHAPTER I

1. Colonial Congress of Marseilles of 1906, tome ii, pp. 169 ff. (report of M. F. Bourdillon).—Congress of the Ancient Colonies, 1909 *passim*. Intercolonial Federation : reports of M. Bougenot upon the tariff régime of Martinique and of M. Jacqueminet upon the tariff régime of Guadeloupe.

2. Statistics of the Commerce of the French Colonies for 1911, tome ii, pp. 592-3 and 664-5.

3. In Martinique, the exports of cocoa (sent entirely to the mother country) amounted in 1911 to 1,046,000 francs; the exports of coffee (21,000 francs) were insignificant. In Guadeloupe, the exports of coffee amounted in 1911 to 2,417,000 francs (of which 2,391,000 went to the mother country, and the exports of cocoa to 1,717,000 francs (sent entirely to the mother country).

4. 778,000 francs to Martinique and 569,000 francs to Guadeloupe for 1911.

5. 890,000 francs to Martinique and 255,000 francs to Guadeloupe for 1911.

6. See above, pages 98 ff.

7. While the tax abatement is only two francs twenty-five centimes, the actual expense for bringing sugar into the French market would be five francs sixty centimes.

8. The following confession is found in an official document: 'while, thanks to the customs duties, foreign merchandise is practically ousted from the local market, the local budget of the colony is becoming impoverished; every advantage obtained by the national industry has for a corollary a diminution of local financial resources' (Colonial statistics for 1911, tome ii, p. 662).

9. For the year 1894, the revenue from import duties amounted to 910,000 francs in the budget of Martinique, and to 550,000 francs in the budget of Guadeloupe.

10. Statistics of the commerce of the French colonies for 1911, tome i, pp. 752, 753.

11. This increase is due essentially (1) to the increase in the quantity of sugar exported, and to the higher prices of this commodity, which swelled to nearly eight millions the amount of the exportation; (2) to an exceptional importation of rice which increased by 1,800,000 francs the volume of imports.

12. 1896	. 8,727,000 francs	1904	. 5,302,000 francs
1897	. 6,597,000 "	1905	. 5,670,000 "
1898	. 7,856,000 "	1906	. 2,865,000 "
1899	. 5,131,000 "	1907	. 1,928,000 "
1900	. 5,584,000 "	1908	. 1,532,000 "
1901	. 7,293,000 "	1909	. 1,774,000 "
1902	. 6,695,000 "	1910	. 2,728,000 "
1903	. 8,130,000 "		
13. 1906	. 303,848 francs	1910	. 296,114 francs
1907	. 255,900 "	1911	. 345,861 "
1908	. 343,394 "	1912	. 402,025 "
1909	. 210,855 "		

14. Intercolonial Federation: Report of M. Dolabaratz upon the tariff régime of Reunion.

15. Intercolonial Federation: Report of M. Lecamu upon the tariff régime of French Guiana.

16. Congress of the Ancient Colonies, 1909, pp. 351 ff.

17. These errors are explained in part by the different values given by the Caledonian custom house to products exported from one year to another. In this way, nickel ore was valued at 45 francs per ton in 1905 ; 20 francs in 1909 ; 30 francs in 1911 ; and 34 francs in 1912 : chrome ore, 58 francs in 1905 ; 25 francs 50 in 1910 ; 35 francs in 1911 and in 1912 : copra was valued at 420 francs per ton in 1911 and 520 francs in 1912 (Colonial Institute of Marseilles. The Production of the French Possessions in 1911 and in 1912, pp. 66 and 68). One sees what an effect such differences might have on the figures of exportations.

18. The revenue from the import duties amounted in 1911 to 650,799 francs. If one considers that the free white population which alone consumes almost all the products bought from foreign countries does not reach 20,000 souls, one sees how heavy is the burden per inhabitant. It is true that the revenue procured for the local budget by the customs duties is very appreciable, but this does not compensate for the injury done to the population.

19. Congress of the Ancient Colonies, p. 374.

20. Vanilla brought 18 francs the kilogramme in 1912, while it was worth only 10 francs 50 in 1911.

21. Intercolonial Federation : Report of M. Gouzy on the tariff régime of the French establishments of Oceania.

## CHAPTER II

1. Decree of October 17, 1897.

2. Report of the Chamber of Commerce of Hanoi, September 20, 1909.

3. Colonial Institute of Marseilles, The Production of the French Possessions in 1911 and in 1912, p. 53.

4. *Op. cit.*, pp. 55 to 56.

5. *Ibid.*

6. All these documents are analysed in Ferry, *Étude sur le régime douanier de l'Indo-Chine*, 1912. The larger part is found reproduced in a pamphlet in quarto published in 1910 and entitled *Enquête faite par le comité du commerce et de l'industrie de l'Indo-Chine sur les modifications à apporter au tarif des douanes*. Report of M. Mététal to the Intercolonial Federation.

7. Ferry, *op. cit.*, p. 121.

8. Hoarau-Desruisseaux, *Aux colonies*.

9. See, in this connexion, the report of M. Fetterer.

10. *Journal officiel*, Doc. parl., Chamber of Deputies, sess. ord. 1913, p. 491 (annex 2,699).

## CHAPTER III

1. Report (annual) on the Situation of Madagascar in 1912 (*Journal officiel*, annex, 1912).

2. Colonial Congress of Marseilles, tome ii, p. 206 (report of M. July).—Intercolonial Federation (report of M. Buhan). National Congress for



the Defence and Development of the External Commerce (report of M. Pagnoud).

3. Report of M. Artaud in the Congress for the Defence and Development of the External Commerce, pp. 54, 55.

4. Mayotte had been at first placed in the class of assimilated colonies by the law of January 11, 1892.

#### CHAPTER IV

1. Bulletin of the Colonial Office, 1908, p. 211.

2. Discourse of Governor-General Ponty, November 12, 1912 (French Africa, Colonial Information, 1912, No. 12).

3. Mathon, *Le Commerce des tissus en A.O.F.* (supplement to the Bulletin of the Colonial Office of September, 1909).

4. There must be added about three millions of cotton goods of foreign origin that come from the entrepôts of France.

5. Report of M. Seguin (The Intercolonial Federation, at the National Congress for the Defence and Development of the External Commerce, 1912, pp. 89, 90).

6. The largest part of this coal is re-exported to supply the vessels coaling at Dakar.

7. More than half of which (4,700,000) consists in coal.

8. Report of MM. Delmas and Duffart (The Intercolonial Federation, at the National Congress, &c., 1912, p. 69).

#### CHAPTER V

1. Rouget, *L'expansion coloniale au Congo français*, 1906.—Intercolonial Federation : Report of M. du Vivier de Streel. Also, the reports upon the operations of the Privileged Companies, published in 1906 and in 1909.

2. Governor-General Merlin, in his opening speech of the session of 1912 of the Council of Government, asserted 46,860 square kilometres.

#### CHAPTER VI

1. Delorme, *Le commerce algérien*, 2 vols., 1906 (Exposition of Marseilles). —Moucheron, *Les douanes en Algérie*, 1907.

2. See, for more details, Delorme, *Le commerce algérien*, tome ii, p. 447. The Table of the Commerce of Algeria with France and with Foreign Countries, year by year, from the beginning to 1905.

3. In 1870 the civil territory included only 12,793 square kilometres, about the equivalent of two French departments.

4. The true values were in general perceptibly inferior to official values ; see the speech of M. d'Eichtal at the sitting of the Chamber of Deputies of July 10, 1847 (quoted by Pallain, *Les douanes françaises*, tome ii, p. 338, notes).

5. Pallain, *Les douanes françaises*, tome ii, pp. 364, 365.

6. The title of this annual publication is 'Direction des douanes de

l'Algérie. Statistical documents compiled by the Administration of the duties on the commerce of Algeria ' (Algiers, Agricultural and Commercial Printing Establishment).

7. For the products imported from the mother country or from foreign countries, other than Morocco and Tunis, the Algerian tariff is in conformity with the rates of valuation adopted by the French Commission of Tariff Values (Moucheron, *Les douanes en Algérie*, p. 763).

8. The figures of the Algerian customs service are in general less than those of the French. Example : in 1912 the exports for France were 400,401,000 francs, according to the Algerian customs service, while the imports from Algeria amounted to 432,497,000 francs, according to the French customs service.

9. Exportation of cereals from Algeria for foreign countries, 17,900,000 francs. In this total, the part of Tunis is 8,200,000 francs, and that of Morocco 900,000.

10. In regard to coal, the figures of the special commerce are much lower than those of the general commerce (37,700,000) ; Algeria consumes about 500,000 tons of coal annually, and it is the value of these 500,000 tons that figure in the special commerce ; but in addition, she receives more than one million tons, which are put in entrepôt and re-exported : this enormous quantity is taken by the vessels that put into port at Algiers to coal.

11. Morocco : cattle, 4,500,000 francs ; cereals, 900,000.—Tunis : cattle, 700,000 ; cereals, 300,000.

12. With some exceptions, for instance, the mules that the Algerians buy from the Spaniards, who, in turn, buy them in Poitou.

13. *Quinzaine coloniale*, May 10, 1912.

14. See the amendment proposed by M. Brousse, deputy from the eastern Pyrenees, in the sitting of Friday, March 14, 1913.

## CHAPTER VII

1. Statistical Documents on the Commerce of Tunis in 1912, p. xxi.

2. See the *Dépêche coloniale* of November 21, 1911.

3. See the article of M. Ladreit de Lacharrierre in *L'Afrique française* of August, 1913.—Also, Lucien Borgeaud, *L'avenir du commerce français au Maroc*, 1913.

## CHAPTER VIII. CONCLUSION

1. We are not speaking here of the northern part of Africa, whose situation is altogether different from that of the colonies, and for which it suffices to refer to what has been said in the apposite chapters.

2. Report of the Chamber of Commerce of Marseilles upon the bill relative to the establishment of the colonial tariff régime, p. 7.

3. *Op. cit.*, p. 7.

4. Report of M. Harmand to the Congress of the Ancient Colonies, p. 7.

5. The works of the German economists on the commercial régime of the French colonies are, in this connexion, particularly suggestive. See Dr. Robert Ermels, *Frankreichs koloniale Handelspolitik*, 1910.

6. Statistics of the commerce of the French colonies for 1911, tome i, p. 20.

7. Dubief, Report to the Chamber of Deputies upon the budget of the ministry of the colonies for 1904.

8. Artaud, *op. cit.*, p. 9.

# INDEX

- Abyssinia, 196.  
*Ad valorem* duties, 150.  
 Agrarian unrest, 82.  
 Alcohol trade, 114.  
 Algeciras Conference, 154.  
 Algeria, 51 f., 61 ff., 78 ff., 84 ff., 119 ff., 155 ff., 162 f., 167, 247 ff.; as affected by tariff assimilation, 262 ff.; character of exports, 255 ff.; character of imports, 259 ff.; development of commerce, 250 ff.  
 Amiens, peace of, 50.  
 Ancient régime, 11 ff.  
 Antilles, 18, 53 ff., 70 ff., 89, 104 f., 137, 141, 174 ff.; as affected by tariff assimilation, 177 ff.  
 Arnould, 25, 27 f., 31, 33, 36.  
 Artaud, 94, 142, 144, 280 f.  
 Association of French Industry and Agriculture, 150 ff., 158.  
 Bastiat, 66.  
 Beet sugar, 9.  
 Berlin conference, 113.  
 Brussels anti-slavery conference, 114.  
 Brussels convention, 108.  
 Bulgaria, commercial treaty with France, 124.  
 Caillaux, 154 f.  
 Calonne, 32, 44.  
 Canada, 24, 28 f.  
 Caoutchouc, 240, 243.  
 Carey, 282 f.  
 Cayenne, 75.  
 Chartered Companies, 11 ff.; in Equatorial Africa, 240 f.  
 Cochin China, 78.  
 Coffee trade, 23, 24.  
 Colbert, 11, 17, 30.  
 Colonial commerce, development of, 169 ff.; relative importance of, 10, 38, 42, 61, 70, 94, 165 ff.  
 Colonial Congress of Bordeaux, 143; of Marseilles, 210.  
 Colonial Exposition of Marseilles, 141.  
 Colonial expansion, 83 ff.  
 Colonial Institute of Marseilles, 148, 162.  
 Colonial reciprocity, 57.  
 Colonial Union, French, 144, 148.  
 Colonies, early conception of, 37.  
 Colonies, assimilated, 95, 104; non-assimilated, 95, 109 ff., 115.  
 Colonization companies, 5.  
 Comores, 95, 98, 223.  
 Company of the Indies, 16, 23, 31, 35, 44.  
 Company of the Islands of America, 12, 17 ff.  
 Company of One Hundred Partners, 12, 28.  
 Company of the West Indies, 13, 18, 27.  
 Compensatory duties, 104.  
 Condillac, 41.  
 Congo Free State, 113, 155.  
 Congress of Eastern Africa, 144.  
 Congress of the Old Colonies, 143 f.  
 Constituent Assembly, 44 ff., 288.  
 Consulate, 53.  
 Continental blockade, 51.  
 Convention, 43, 48, 281 f.  
 Cotton industry, as benefited by assimilation, 285 f.  
 Dahomey, 117, 150, 155, 225, 229, 232.  
 Directory, 47, 49.  
 Dupont de Nemours, 41, 42.  
 Exceptions, in assimilated tariffs, 100 ff.  
 Exclusion policy, 3 f., 9, 11 ff., 36 ff., 51 ff., 59 ff.  
 Export duties, 102 ff., 115, 128 ff., 215 f.  
 Equatorial Africa, 112 f., 236 ff.  
 Faure, 94.  
 Ferry, 83, 99.  
 First Empire, 50 ff.  
 Forbonnais, 39.  
 Franco-British treaty of 1904, 157.



- Franco-German War, 82.  
 French Colonial Union, 134, 162.  
 Gabon, 91, 98, 103, 112, 146 f., 237 ff.; as affected by tariff assimilation, 244 ff.  
 Germany, attitude toward French Colonial policy, 136 f., 154.  
 Goudard, 38, 42.  
 Gournay, 16.  
 Guadeloupe, 24 f., 90, 98, 104, 174 ff.  
 Guiana, 27, 55, 74, 78, 91, 98, 103; as affected by tariff assimilation, 183 ff.  
 Guinea, 33 f., 111 f., 117, 149, 225, 230.  
 Haiti, commercial treaty with France, 123.  
 Half duty, 106, 137, 214.  
 Harmand, 135, 143.  
 India, 55, 114, 116, 193.  
 Indies, company of, 16, 23, 35, 44.  
 Indo-China, 91 f., 98, 100, 103 f., 120, 125, 136 f., 149, 164, 167 ff., 284 f.; as affected by tariff assimilation, 201 ff.; character of exports, 203 ff.; character of imports, 207 ff.  
 Indult duty, 32, 45.  
 Isle de France et de Bourbon, 31.  
 Ivory Coast, 117, 150, 155, 232.  
 Japan, commercial treaty with France, 125.  
 Lamartine, 59.  
 Law, John, 15.  
 Legislative Assembly, 47.  
 Leroy-Beaulieu, 141.  
 London Treaty of 1906, 117.  
 Louisiana, 24, 27, 28.  
 Madagascar, 54, 95, 99 ff., 136, 151, 168; as affected by tariff assimilation, 217 ff.; character of exports, 219 ff.; character of imports, 220 ff.  
 Malouet, 40.  
 Martinique, 23, 25 f., 98, 104, 174 ff.  
 Mascarenes, 31 f., 54.  
 Mayotte, 91, 223.  
 Melila, 156.  
 Meline, 150, 155.  
 Melinet, 148.  
 Mercantile system, 8, 37.  
 Minimum tariff, 85, 115, 122 f., 132.  
 Molinari, 66.  
 Monarchy of July, 52.  
 Montesquieu, 39 f.  
 Morellet, 16, 42.  
 Morocco, 80, 85, 152 ff., 166 ff., 275 ff.  
 Napoleon I, 6, 51, 58.  
 Napoleon III, 66 ff.  
 Navigation restrictions, 19, 38, 49, 53, 55, 63, 69 ff., 87, 131.  
 Necker, 16.  
 New Caledonia, 78, 91, 98, 100, 103, 118 f., 146 f., 164; as affected by tariff assimilation, 188 ff.  
 New Hebrides, 117.  
 Non-assimilated colonies, 95 ff.  
 Oceania, 141 f., 192 f.  
 Open door, 4 f., 283; in Morocco, 152 ff.  
 Paris, treaty of 1761, 24.  
 Paris, treaty of 1763, 35.  
 Petit, 16, 21.  
 Physiocrats, 6, 40.  
 Pondichéry, 60.  
 Porto Rico, commercial agreement with France, 124.  
 Portugal, commercial treaty with France, 125.  
 Printed calicoes, 30, 45.  
 Privileges, abolition of, 42.  
 Protectionism, 6, 82, 139, 148, 153, 158, 282 f.  
 Public works, effect on trade, 202 f., 218, 244, 249 ff.  
 Quesnay, 40, 42.  
 Reciprocity, colonial, 57.  
 Restoration, 51 f.  
 Retaliation, 21.  
 Reunion, 54, 56 f., 60, 70 f., 89 ff., 104, 137, 141; as affected by tariff assimilation, 180 ff.  
 Revolution, 6, 26, 31 f., 42 f., 52.  
 Richelieu, 11.  
 Roscher, 13.  
 Rumania, commercial treaty with France, 124.  
 Saint-Pierre and Miquelon, 78, 91, 98, 146, 166; as affected by tariff assimilation, 185 ff.  
 Santo-Domingo, 24 ff., 42.  
 Say, J. B., 14.

- Second Empire, 6, 66 ff., 81, 248.  
 Senegal, 45, 50, 56, 74, 78, 90 f., 111 f., 117, 149, 164, 225, 230.  
 Senegal, Company of, 33 ff.  
 Servia, commercial treaty with France, 124.  
 Seven Years' War, 26, 28, 29, 35.  
 Slave trade, 9, 34, 66, 174.  
 Smith, Adam, 15.  
 Smuggling, 14 f., 18, 156, 239.  
 Society of Agriculturists, 139.  
 Somaliland, 114, 195.  
 Statistics, commercial, critique of, 161 ff., 202, 253 ff.  
 Sugar trade, 26, 57 ff., 67 f., 86, 107, 171.  
 Switzerland, commercial treaty with France, 124.  
 Tariff of 1892, 6, 85, 93 ff., 105, 109 ff., 121, 134, 142 ff., 153, 176.  
 Tariff assimilation, 7, 9, 43, 48, 50, 81 ff., 94 f., 104 f., 135 ff., 145 f., 176 ff., 280 ff. ; effect on Algeria, 262 ff. ; on Gabon, 244 ff. ; on Guiana, 183 ff. ; on Indo-China, 201 ff. ; on lesser colonies, 197 ff. ; on Madagascar, 217 ff. ; on New Caledonia, 188 ff. ; on Reunion, 180 ff. ; on Saint-Pierre and Miquelon, 185 ff.  
 Tariff autonomy, 6, 9, 66 ff., 74, 83, 141 ; effect on Tunis, 272 ff.  
 Tariff personality, 7, 134 ff., 141 ff., 145, 213 ff., 280 ff.  
 Thiers, 38.  
 Thierry, 145.  
 Third Republic, 81 ff.  
 de Tocqueville, 42.  
 Transit duties, 103 f., 215 f.  
 Tunis, 80, 85, 126 ff., 162, 168, 268 ff., 272 ff.  
 Turgot, 41 f.  
 United States, commercial treaty with France, 124.  
 Warehouse, bonded, 21 ff.  
 West Africa, French, 33 f., 76 ff., 110 ff., 136, 147, 150, 170, 225 ff.  
 West Indies Company, 13, 18, 27.  
 Western Dominion duties, 17.  
 Wharfage, 73, 96, 180.  
 Windward Islands, 25.



## GENERAL APPENDIX

### PUBLICATIONS OF THE DIVISION OF ECONOMICS AND HISTORY

THE Conference which met at Berne in 1911, under the auspices of the Division of Economics and History of the Carnegie Endowment for International Peace, appointed three Commissions to draft the questions and problems to be dealt with by competent authorities in all countries. The first Commission was entrusted with *The Economic and Historical Causes and Effects of War*; the second with *Armaments in Time of Peace*; the third with *The Unifying Influences in International Life*. Subsequently the suggestions of the three Commissions were considered and approved by the entire Conference.

The questions are to be discussed scientifically, and as far as possible without prejudice either for or against war; and their discussion may have such important consequences that the questions are presented below *in extenso*.

#### Report of the First Commission

##### THE ECONOMIC AND HISTORICAL CAUSES AND EFFECTS OF WAR

The Conference recommends the following researches:

1. Historical presentation of the causes of war in modern times, tracing especially the influence exercised by the striving for greater political power, by the growth of the national idea, by the political aspirations of races and by economic interests.

2. Conflicts of economic interests in the present age:

- (a) The influence of the growth of population and of the industrial development upon the expansion of States.

- (b) The protectionist policy; its origin and basis; its method of application and its influence upon the relations between countries; bounties (open and disguised, public and private); most-favoured-nation treatment; the attitude towards foreign goods and foreign capital; the boycott; discouragement of foreign immigration.



## GENERAL APPENDIX

(c) International loans ; the policy of guarantees ; the relations of the creditor to the debtor States ; the use of loans for gaining influence over other States.

(d) Rivalry among States with respect to capitalist investments in foreign countries :

1. The endeavour to obtain a privileged position in banking enterprises, in the opening and development of mines, in the letting of public contracts, in the execution of public works, in the building of railways (Siberian, Manchurian, Persian Bagdad Railway, Adriatic Railway, &c.) ; in short, the organization of larger capitalistic enterprises in foreign countries.

2. The hindering of foreign countries by convention from executing productive enterprises on their own soil, e.g. from building railways in their own countries.

3. The anti-militarist movement, considered in its religious and political manifestations. (Only opposition to all military organization is here to be considered.)

4. The position of organized labour and the socialists in the various States on the questions of war and armaments.

5. Is it possible to determine a special interest of individual classes making for or against war, for or against standing armies ?

6. The influence of women and woman suffrage upon war and armaments.

7. The extension of obligatory military service in the different States, in times both of war and of peace.

(a) The conditions of military service ; the system of enlistment and of general obligatory service, the actual position of aliens.

(b) The ratio of the persons obliged to render military service to the entire population.

(c) The influence of the present system of military obligation and the organization of armies upon warfare and upon its duration.

8. The economic effects of the right of capture and its influence upon the development of navies.

9. War loans provided by neutral countries ; their extent and influence on recent warfare.

10. The effects of war :

(a) Financial cost of war. The methods of meeting it : Taxation ; International Loans ; External Loans.

(b) Losses and gains from the point of view of public and private economic interests ; checks to production and the destruction of productive forces ; reduction of opportunities for business enter-

## GENERAL APPENDIX

prises ; interruption of foreign trade and of the imports of food ; the destruction of property ; shrinkage of values of property, including securities ; financial burden caused by new taxes, debts, and war indemnities ; effects upon private credit and upon savings banks ; advantages to those industries which furnish military materials ; advantages and disadvantages to neutral countries.

(c) The effects of war upon the supply of the world with food and raw materials, with special reference to those States which are in large degree dependent upon other countries for such supplies, e.g. Great Britain and Germany ; by diversion of capital from those countries which produce food and raw materials (especially the stoppage of railway building and of new investments in agriculture and other industries).

(d) The condition of the victorious State : manner of levy and use of contributions and war indemnities ; influence upon industry and social life.

(e) The manner in which the energy of nations is stimulated or depressed by war.

11. Loss of human life in war and as a result of war : influence upon population (birth-rate, relation between the sexes, ratio of the various ages, sanitary conditions).

12. The influence of war and of the possibility of war upon the protective policy, upon banking conditions (especially upon banks of issue), and upon monetary systems.

13. The influence of annexation upon the economic life of the annexing States, and upon the State whose territory has been annexed.

14. The annexation of half-civilized or uncivilized peoples, considered especially from the point of view of the economic interests, which act as motive powers ; the methods through which private enterprises take root in such regions and through which they bring influence to bear upon their own governments ; the effects of such annexations upon the development of trade with the annexing State and with other countries, as well as upon the economic and social life of the natives.

15. The progressive exemption of commercial and industrial activities from losses and interferences through war.

16. Influence of the open-door policy upon war and peace.

# GENERAL APPENDIX

## Report of the Second Commission

ARMAMENTS IN TIME OF PEACE. MILITARY AND NAVAL ESTABLISHMENTS. THE THEORY, PRACTICE, AND HISTORY OF MODERN ARMAMENTS.

1. Definition. Armaments might be described as 'the preparations made by a State either for defence or for attack'. These would include the provision of food, financial preparations, and also semi-military railways, canals, docks, &c.

2. Causes of armaments. Motives for increasing or commencing them, distinguishing the great from the small powers.

3. Rivalry and competition in armaments. Motives and consequences of rivalry, with the possibilities of limitation.

4. Modern history of armaments, with special fullness from 1872. To be noted as important landmarks :

(a) The introduction of conscription into Germany, France, Austria, Italy, Japan, &c.

(b) Modern inventions affecting war.

(c) The question of privateering and private property at sea.

(d) Duration of military service.

(e) The traffic in arms.

5. Military budgets from 1872 (distinguishing ordinary from extraordinary expenditures).

6. The burden of armaments in recent times.

(a) The proportion of military to civil expenditure.

(b) Military expenditure per capita.

(c) Military expenditure from loans in time of peace, i.e. a comparison of expenditure from taxes with expenditure from borrowed money.

(d) Comparative burdens of individual taxpayers in different countries and the extent to which the differences are due to armaments.

(e) Military pensions.

(f) It is desirable to ascertain where possible the ratio between the total income of each nation and the total expenditure on armament at various times.

7. The effects of war preparations upon the economic and social life of a nation :

(a) On the sustenance of the entire population of a country at war.

## GENERAL APPENDIX

- (b) On railway policy.
- (c) On public administration and on social legislation.
- 8. The economic effects of withdrawing young men from industrial pursuits, into the army and navy :
  - (a) Compulsory.
  - (b) Of non-compulsory service (specially in the case of mercenary troops).

(Allowance being made for the industrial value of military education and training.)
- 9. The influence of changes in the occupations of a people upon the composition and efficiency of armies, and the influence of the changes in the composition of armies on the economic life.
- 10. Loans for armaments (participation of domestic and foreign capital).
- 11. The industries of war, i.e. the various manufactures and other industries which are promoted and encouraged by military and naval establishments, distinguishing between :
  - (a) Government undertakings (arsenals, dockyards, &c.).
  - (b) Private undertakings, including the history and working of the great armament firms, which sell to foreign customers as well as to their own governments.
- 12. War materials (munitions of war). Their recent development and their cost. This includes arms, ammunition, armour-plate, war-ships, guns of all kinds, military airships, &c. So far as possible the effect of recent inventions upon offensive and defensive war should be indicated.

### Report of the Third Commission

#### THE UNIFYING INFLUENCES IN INTERNATIONAL LIFE

- 1. The Conference is of the opinion that the economic life of individual countries has definitely ceased to be self-contained ; and that, notwithstanding the barriers raised by fiscal duties, it is becoming in ever-increasing measure a part of an economic life in which the whole world participates.
- 2. It desires that this change be studied with the object of ascertaining to what extent the economic life of individual nations has ceased to be self-contained, and the causes which are bringing about the greater interdependence of nations.
- 3. Special attention should be paid to the following factors :
  - (a) How far the growth of population is responsible for the changes that have occurred and are in progress.



## GENERAL APPENDIX

(b) The extent to which the insufficiency of the natural resources of individual countries for their own requirements has contributed to it.

(c) Whether the increasing economic unity of the world is the cause or the result of the rising in the standard of living, and how far the increasing welfare of nations has been caused by the growing unity.

(d) In what measure the need of individual countries to obtain materials of production from other lands and to find new markets for their own products is responsible for the growth of international dependence.

4. The Conference desires that investigations be made into :

(a) The volume of the world's production of all the many articles of food, of the various raw materials, and of the principal manufactures.

(b) The productions of individual countries, and the extent to which they are retained for home consumption or are exported.

(c) The consumption of individual countries, and the extent to which the various articles are supplied from home productions or are imported.

5. The Conference wishes to ascertain to what extent the economy of production by large units, instead of by small units, has contributed to the international dependence of nations.

6. The development of this world-embracing economy has taken place in great measure in consequence of the investment of capital by rich countries in less developed lands. Through this there have arisen close relations and a great increase of wealth, not only for the lending and the borrowing countries, but for all nations. The Conference is of the opinion that researches should be made into the extent of the interdependence of the nations in the matter of capital.

7. The Conference desires to institute inquiries into the interdependence of the financial centres of the world.

8. The Conference desires to make the unifying effects of international trade, the building of railways, the progress of shipping, the improvement and extension of all means of communication and the progress of inventions, the subjects of careful investigation.

9. The Conference is in favour of making a comprehensive study of the various international unions and associations, in which the social and economic interests of all classes of society are now either organized or in process of organization, through official or private action.









